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Malaysia Sponsors Dialogue for Peace, Security

Foreign Minister Addresses Conference

BK0706141893 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 7 Jun 93

[Text] The Pacific region must develop security through cooperation and mutual understanding. Foreign Minister Datuk Abdullah Badawi said security in the Asia-Pacific region should be tackled in such a way so as to avoid the old way of using power to tackle it. An approach that should be taken is how to promote friendship instead of identifying enemies. He was delivering a keynote address at the Asia-Pacific roundtable conference in the nation's capital. He said security should be achieved through cooperation, purity, and mutual understanding. The four-day conference is sponsored by the ASEAN Institute of Strategic and International Studies.

Defense Minister Urges 'Arms Register'

OW0906130493 Tokyo KYODO in English 1238 GMT 9 Jun 93

[Text] Kuala Lumpur, June 9 KYODO—Malaysian Defense Minister Mohamed Najib called Wednesday [9 June] for an arms register listing defense purchases by Southeast Asian countries as a confidence building measure to ensure peace and security in the region.

He said he wanted to see more transparency emerge in the region where most of the fast-growing countries have increased defense budgets and are modernizing their armed forces, including Malaysia.

"A regional arms register would be ideal as states would be able to keep track of the development of arms procurement," he said in a dinner address to the Asia-Pacific Dialogue for Cooperative Peace and Security which is organized by the Malaysian Institute of Strategic and International Studies, a private think tank.

Najib disputed fears that the arms buildup should be viewed as a security threat, saying that on the contrary it contributed toward regional stability because "states feel confident when they are militarily sufficient."

The end of the cold war and the phasing down of U.S. presence in the Asia-Pacific region has evoked concern of a power "vacuum" in the region that may be filled by countries like China or Japan.

Also, almost all Southeast Asian countries, including the Association of Southeast Asian Nations (ASEAN), have overlapping territorial claims especially over the reputedly oil-rich Spratly Island chain in the South China Sea. ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

China, which claims the whole area, had a brief naval conflict with another claimant, Vietnam, in 1988. Other claimants are Brunei, Malaysia, Taiwan and the Philippines.

Najib also suggested that the militaries of regional states intensify cooperation and dialogue with each other as another confidence booster.

Despite ASEAN's cohesiveness, there is a need to establish more bilateral confidence among states, and this must be instituted, not assumed, he said.

About 80 delegates are attending the two-day dialogue that was mooted by Najib last year as an informal forum to allow policy makers, experts and scholars to discuss formulating a comprehensive regional security framework in the post-cold war era.

Referring to China, Najib said he believed it does not pose a current threat to regional security despite Beijing being portrayed as the West's new "bogeyman" following the collapse of the Soviet Union.

China, being a major power, should be encouraged to continue engaging in ongoing bilateral and multilateral dialogues which reflects its desire to achieve peace and mutual prosperity in the region, he said.

"We should not allow any country to drive a wedge between regional states and China which could result in it being isolated from the mainstream of regional politics," Najib warned.

This was what had happened to the ex-Soviet Union which had been successfully isolated, including economically, from noncommunist Southeast Asia during the cold war by the U.S., he said.

He also said the U.S. should continue its role in the Asia-Pacific through efforts such as training cooperation and using military facilities in regional countries, rather than by maintaining a permanent presence.

The region, he said, must be able to no longer depend solely on external powers for its security.

Article Assesses PRC's 'Threat' to Region

BK1006041993 Singapore BUSINESS TIMES in English 9 Jun 93 p 23

[Exclusive article by Dr. Bilveer Singh, of the National University of Singapore's Political Science Department, entitled: "China Gives S-E Asia Two Causes for Anxiety"]

[Text] THE VISIT last month to this region by China's Defence Minister General Chi Haotian was a diplomatic breakthrough for Beijing, given that this was the first such visit by a Chinese Defence Minister since the Cold War.

This notwithstanding, it will still be a long time before China is no longer a security factor for Southeast Asian countries long used to viewing Beijing as a threat.

With the expansion of China's economic and military wherewithal, its assertive diplomacy has meant that

Beijing cannot be ignored in the new power configuration emerging in the region.

Traditionally, the Chinese have viewed the South Seas (Nanyang) as their security backyard. In the past 50 years, China's sense of regional entitlement has been demonstrated by its direct involvement in the affairs of South-east Asia, especially in those countries bordering her. Vietnam, Laos and Myanmar [Burma] have had to contend with old and new Chinese dreams and fears, and Beijing's involvement and interest have always been the primary determinant of these countries' security policies.

For most of the post-1949 period, China has been viewed as a threat to the security of the region. It has been more feared than trusted. Even Myanmar and Vietnam, which had established close working relations with the Chinese Communists, experienced difficulties in their bilateral relations.

Sino-Myanmar ties came close to rupture during the Cultural Revolution while Sino-Vietnamese relations reached their nadir in the decade 1978-1988, with both countries going to war for a month in March 1979. Despite the normalisation of ties in November 1991, suspicions continue to colour Sino-Vietnamese bilateral relations.

China's political fortunes in the region received a boost following its admission to the United Nations in 1971. However, the ASEAN countries continued to be suspicious of China and it took the emergence of a Soviet-Vietnamese military alliance in December 1976 to force at least a tactical change in ASEAN's security thinking about China.

The apparent convergence in Sino-ASEAN thinking concerning the need to reverse Vietnam's invasion and occupation of Cambodia and to neutralise the growing Soviet military presence in the region, especially in Vietnam, led to the development of a loose strategic understanding, with China and Thailand developing close security relations.

This state of affairs changed with the end of the Cold War. For the United States, the importance of China in containing the then Soviet Union has lessened. And with the new Russian Federation no longer viewed as a strategic threat, a reassessment of China has taken place in the region.

With the US downsizing its military presence in the region and the Clinton Administration's preoccupation with domestic concerns, there is a growing perception that the Americans are incapable of acting as a stabiliser in the region. Russian interests have been heavily marginalised in the region since 1991 and with the growing prominence of the Asian powers, a new regional balance is emerging, with the US, China, Japan and India as the main actors, in that order of importance.

The traditional concern with China has been resurrected with it emerging as the single greatest source of security threat to Southeast Asia. China is the only great power with which most South-east Asian countries have territorial disputes and a recent history of poor relations. The two greatest sources of insecurity in post-Cold War South-east Asia are also China-related.

First, the overlapping claims to the South China Sea has the potential to become the next flashpoint in the region. While there are a number of claimants, it is China which draws most apprehension. This is the result of a number of developments. China's rising defence expenditure has merely affirmed that it is keen to fill the power vacuum emerging in the region. The 1993 defence expenditure totalled 42.5 billion yuan (S [Singapore] $11.9 billion), 5.5 billion yuan more than in 1992.

This coincides with China's arms build-up, especially of its air and naval power. China forcibly occupied the Paracel Islands in 1974 and has since developed a major observation post, mooring facilities, an air strip and a submarine base.

China has also acquired in-flight refuelling capability for its aircraft as well as 24 SU-27s and a squadron of MiG-31s from Russia, all of which are based in southern China.

China has advanced missile systems which place most of Southeast Asia within its firing range. It has also been undertaking aggressive "navigational missions" in the South China Sea as well as launching a diplomacy blitz in claiming the whole of the South China Sea.

China started oil exploration activities in the disputed area by engaging a Denver-based company called Creston. Most symbolic of all, China passed a law claiming the whole of the South China Sea, followed by statements by senior military leaders that they were prepared to use force to defend their "sovereign territory", including in the South China Sea.

The combination of these actions have raised tension in the region, with many countries fearing that China will resort to a military solution to assert its claims over the Spratlys.

While China has much to loose in terms of its economic investments and political goodwill in the region, the fact that the ASEAN countries passed a special Resolution on the South China Sea at their annual Foreign Ministers Meeting in Manila in July 1992 highlighted the severity with which China is being viewed by regional countries. The resolution reflected the emergence of a strategic consensus where China is viewed as the greatest source of threat to the region. Since then, Beijing has attempted to assuage ASEAN's fears and the recent visit of its Defence Minister to the region is part of this effort.

The second source of regional insecurity stems from the emergence of a new strategic alignment between China and Myanmar.

Following the brutal crushing of the student demonstrations in Mynmar in September 1988, China supplied Myanmar with more than S$1 billion worth of arms. China has also build a four-lane highway linking the commercial centres in Myanmar with their counterparts in Yunan province. Of greatest concern, however, has been China's acquisition of military facilities in Myanmar.

China has developed a radar facility on the Great Coco Island. A naval facility is being built as well at Mergui, near the Thai border. The principal target of these developments is India, not Southeast Asia.

The facility at the Great Coco Island is an early warning reconnaissance base. Separated from the Andamans by the Coco Channel, it is an ideal location to monitor Indian naval assets, especially those at Port Blair. The facility will also be able to monitor India's ballistic missiles as the missile test range at Balascore and the satellite launching station at Sri Hari Kota, are within tracking range. The facility at Hanggyi island is also directed at India as it is too far to monitor ship movements in the Straits of Malacca. However, it provides an opening for China's naval assets into the Andaman Sea and the Indian Ocean.

While the South China Sea has a long history and one that has become more serious with the end of the Cold War, the Sino-Myanmar strategic alignment has no less a serious potential for complicating the security situation in South-east Asia. It is likely to earn the wrath of India and Indonesia, where distrust of China has been traditional. The acquisition of Chinese forward "facilities" in Myanmar is likely to lead to Indian responses, with South-east Asia becoming a new one of conflict between China and India. This could severely undermine the internal and external stability of most countries in Southeast Asia.

In view of these developments, a possible alternative for South-east Asian security is to encourage a balance of power among the various powers while developing at the same time a multilateral security framework where China will be strategically engaged.

No country in South-east Asia will be able to face China alone. But a security framework along the lines of the ASEAN Post-Ministerial Conference (PMC), where China can be a full participating member and where the other powers also participate, could deter Beijing from activities that could threaten the security of the countries in South-east Asia.

Conference on Environment Begins in Seoul

SK0706070793 Seoul YONHAP in English 0528 GMT 7 Jun 93

[Text] Seoul, June 7 (YONHAP)—The East Asia and Pacific Parliamentarians' Conference on the Environment and Development (EAPPCED) started its inaugural meeting with an opening address by [ROK] Rep. Pak Chun-pyong, the EAPPCED chairman, at the National Assembly on Monday [7 June].

The 64 delegates from nine countries—Korea, Japan, Malaysia, New Zealand, the Philippines, Thailand, China, Mongolia, Russia—and four environment-related organizations like the Asia Foundation and United Nations Development Program, also heard speeches from [ROK] Speaker Yi Man-sop and [ROK] Environment Minister Hwang San-song.

"Northeast Asian countries belong to the same environment influence area and in this region, a pollution of a country easily affects the other countries," Yi said.

"So it is highly necessary that these countries should cooperate on environment matters. Therefore, the starting of EAPPCED has great significance at this moment."

The delegates are to adopt an EAPPCED charter and officially declare the creation of the conference.

Timed with the first anniversary of the Earth Summit in Rio de Janeiro, the meeting created the first regional parliamentarian council on the environment.

It ends Tuesday after adopting a joint statement and choosing the date and place for the next meeting.

Declaration Adopted

SK0806063693 Seoul YONHAP in English 0532 GMT 8 Jun 93

[Text] Seoul, June 8 (YONHAP)—The general meeting of the East Asia and Pacific Parliamentarians' Conference on the Environment and Development (EAPPCED) ended on Tuesday [8 June] afternoon after adopting a "Seoul declaration," which calls for faithful implementation of the Rio environment declaration.

The Seoul declaration also announces the creation of EAPPCED, the first international forum of parliamentarians to discuss environmental matters in the Asia-Pacific region.

Delegates from eight countries—Korea, Japan, Malaysia, New Zealand, Thailand, China, Mongolia and Russia—agreed to hold the second general meeting in Bangkok in 1994.

Yang Jike, vice chairman of the Environment Committee of the National People's Congress in China, represented China. Yang was accompanying Tian Jiyun, vice chairman of the National People's Congress Standing Committee, on a visit to Seoul.

Malaysia Views ROK as Development Model

BK0806074493 Kuala Lumpur BERNAMA in English 0547 GMT 8 Jun 93

[Text] Kuala Lumpur, June 8 (OANA—BERNAMA)—Malaysia looks up to South Korea as a model of development, Member of Parliament Ibrahim Ali told the

East Asia and Pacific Parliamentarians Conference on Environment and Development (EAPPCED) dinner in Seoul, South Korea, last night.

Ibrahim, who is EAPPCED vice-president, said Malaysia also looked forward to continued cooperation with South Korea in the technical and economic fields, particularly in trade, investment and tourism, which have intensified in recent years.

For this reason, the Malaysian Government launched the Look East policy in 1983 with a view to learn and emulate the Korean work ethics, attitude, and success story, he added. The text of his speech was released here Tuesday.

Commending South Korea's success, Ibrahim said its rise from the ashes of war in the 50's to become an economic dragon served as an interesting model for Malaysians to learn.

The conference, he added, was timely in view of the changing world environment.

It would help facilitate the tearing down of the wall separating the developed and developing countries and reduce the different views between the countries due to differences in level of development and technologies, he said.

The differences often delayed implementation of action plans needed to immediately remedy the deteriorating environment, he added.

Japan

Miyazawa Welcomes News of Mondale Appointment

OW1006025193 Tokyo KYODO in English 0238 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Prime Minister Kiichi Miyazawa on Thursday welcomed the news that former U.S. Vice President Walter Mondale will be Washington's next ambassador to Japan. "If the report is true, it's wonderful. (We) will welcome (Mondale)," Miyazawa told reporters at the prime minister's official residence.

The former vice president has accepted the offer by President Bill Clinton of the ambassadorship in Tokyo, currently held by Michael Armacost, sources close to Mondale said in Washington on Tuesday. The sources said the nomination of Mondale reflects the importance Clinton attaches to relations between the United States and Japan.

Mondale, now a lawyer in private practice, served as vice president under former President Jimmy Carter from 1977 to 1981. He suffered a crushing defeat when he ran as the Democratic party's nominee against Ronald Reagan in the 1984 presidential election.

The White House is expected to formally announce the nomination of Mondale for the post this week. The nomination has to be confirmed by the U.S. Senate.

'Sources' on New Framework for Trade With U.S.

OW1006085793 Tokyo KYODO in English 0845 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Japan will propose cooperation on environmental and technological issues with the United States in negotiations on a new framework for bilateral trade, government sources said Thursday. The two countries will hold the first round of talks in Washington on Friday in line with an agreement reached at a recent meeting between Prime Minister Kiichi Miyazawa and U.S. President Bill Clinton.

The Clinton administration has made known it will ask Japan to set qualitative and quantitative import targets to slash its swollen merchandise trade surplus.

Washington will urge Japan to reduce its current account surplus to the level of 1-2 percent of its gross domestic product and increase its imports of manufactured goods by more than 30 percent.

The sources said Japan hopes the forthcoming negotiations will become an arena for discussions on bilateral issues.

Japan will oppose the U.S. concept of managed trade and propose that agreements reached at the bilateral negotiations will apply to Japan's trade with other countries, they said.

In the environmental field, the sources said Japan will propose negotiations by policymakers from both countries on measures to protect the environment, including a monitoring system using satellite and joint development of low-pollution automobile engines.

Tokyo will also call for joint development of next-generation transport and telecommunications technologies, such as the ultra high-speed magnetically levitated transport system, the sources said.

As for human resources development, Japan will propose an exchange of engineers in the manufacturing industry, and measures to cope with AIDS and population problems, the sources said.

Japan will appeal to the U.S. Administration for steady reduction of the budget deficit and reconsideration of its "buy American" policy and exclusive government procurement procedures, they said.

Telecom Industry Exclusion From U.S. Talks Urged

OW1006081793 Tokyo KYODO in English 0803 GMT 10 Jun 93

[Text] Tokyo, June 10 kYODO—Vice Postal Minister Tetsuo Morimoto said Thursday the telecom industry should be excluded from upcoming Japan-U.S. negotiations for a new bilateral trade framework.

Morimoto made the remark in response to U.S. moves to discuss issues such as government procurement of artificial satellites and purchases of equipment from foreign suppliers by Nippon Telegraph and Telephone Corp. (NTT). Morimoto said friction between the two countries over the telecommunications industry has already been solved.

Hayashi: Yen's Appreciation 'Not a Big Deal'

OW1006104493 Tokyo KYODO in English 1036 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Finance Minister Yoshiro Hayashi reiterated Thursday the Group of Seven (G-7) economic powers will take "appropriate measures" to tackle volatility in the currency exchange market in line with their agreement at the end of April. Hayashi said currency exchange rates must reflect economic fundamentals and "fundamentals don't mean speculation."

The dollar continued to plummet against the yen Thursday, temporarily touching a global record low of 105.83 yen in Tokyo.

But Hayashi did not appear surprised by the dollar's renewed decline, saying "it's not a big deal, even if it falls 0.10 yen or 0.20 yen. It just went into the 105 yen level...that's all there is to it," he said.

Hayashi denied the possibility of cutting the official discount rate to make the yen less attractive, saying monetary policy does not exist simply to deal with currency exchange rates. "We are in no condition to lower interest rates now," he said.

One of the elements that triggered Thursday's buying of the yen in Tokyo was a comment by Economic Planning Agency Director General Hajime Funada that the domestic economy is recovering, and current exchange rate levels will not affect Japan's business conditions.

The market was joined by dollar-bearish exporters sending the U.S. currency below 106 yen for the first time. The Bank of Japan is believed to have intervened in the market several times.

Hayashi sympathized with Funada, saying he feels the economy is "directed toward recovery" and that other ministries adopt a similar stance.

Trade Minister Yoshiro Mori, however, said the same day it is premature to conclude the economy has bottomed out, while his vice trade minister said the end of the slump is probably still two or three months ahead.

Meanwhile, a top Finance Ministry official, speaking on condition of anonymity, said if economic fundamentals begin to improve, it may be natural for the currency of that country to climb against other units. But the official declined to say whether the yen's current level, almost 16 percent higher than just four months ago, is reflecting actual fundamentals.

Mieno Says Yen-Buying 'Pressure' Strong

OW1006043693 Tokyo KYODO in English 0346 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Thursday that yen-buying pressure remains strong in foreign exchange markets. At a meeting of economic ministers, the central bank chief said the Japanese currency draws unabated buying though it is trading at the "upper limit" against the U.S. dollar, according to government officials.

After falling more than 1 yen Tuesday in Tokyo, the dollar regained some ground against the yen early Thursday but fell again to finish the morning session 106.03 yen after hitting a record intraday low of 105.95 yen at one point. Japanese markets were closed Wednesday for a holiday.

Think Tank: Rising Yen Hits Automakers Hard

OW1006084993 Tokyo KYODO in English 0819 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—The yen's advance against the dollar will hit the auto industry hard, but other export industries such as electronics should stand up to it thanks to strong demand abroad, a think tank said Thursday. The Nomura Research Institute said the yen's rise will cut deep into earnings at automakers, pulling their sales down nearly 30 percent in the year ending March 31, 1994, as they will find it difficult to pass on the yen's rise to consumers abroad.

The institute said a series of price raises so far due to the yen's appreciation has made Japanese autos less competitive in the U.S. market as they are now 20 to 30 percent more expensive than similar U.S. models. This leaves Japanese automakers with little room to raise prices in the U.S. market and will lead to drastic cuts in shipments to the U.S. between June and August, it said.

The institute noted, however, that in the electronics industry chip makers will be less vulnerable to the yen's rise because of a tight global chip market and progress in shifting production abroad.

Among other industries, the institute singled out the paper-pulp sector as a gainer because paper-pulp makers can import raw materials more cheaply.

The steel industry was cited as a loser because steel prices at home are still higher than those abroad.

Mining Industry To Seek Aid Due to High Yen

OW1006113193 Tokyo KYODO in English 1059 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Japan's mining industry said Thursday it will seek emergency financial aid from the government to help it cope with the strong yen, which is squeezing its profitability. Akihiko Shinozaki, chairman of the Japan Mining Industry Association, told a news conference the request will be made in a six-point package to be submitted to the government in the near future.

Shinozaki, who is president of Sumitomo Metal Mining Co., said the nonferrous metal industry suffers a combined loss of 1.4 billion yen when the Japanese currency rises 1 yen per dollar. "The situation now is too severe for mining firms to overcome by their own efforts," he said.

The package will include requests for the government to provide an emergency subsidy to domestic mining companies and extend low-interest loans to tide themselves over the situation, he said.

Shinozaki said the association will also ask the government to press electric utilities to lower electricity rates, which now are based on the exchange rate of 124 yen to the dollar.

Official on Technical Aspects for Apple Imports

OW1006080193 Tokyo KYODO in English 0724 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Vice Farm Minister Akio Kyoya said Thursday his ministry will abide by technical procedures in dealing with a U.S. request to remove Japan's ban on apple imports from the United States.

Kyoya made the remark in connection with a U.S. agreement to submit quarantine data on U.S. apples during bilateral negotiations in Washington on Wednesday. He said Japan will never lift the existing ban unless it is proved that U.S. apples are completely free from harmful moths or viruses.

During the three-day talks in Washington, the U.S. side said it will allow Japanese quarantine experts to conduct on-the-spot inspections later this month.

Muto: Postponement of Yeltsin Visit Possible

OW1006123793 Tokyo KYODO in English 1210 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—The turbulent Russian political situation may prevent President Boris Yeltsin from paying a state visit to Japan this fall, Foreign Minister Kabun Muto said Thursday. The presidential visit "may be hard to realize as the Russian domestic situation is complicated," the minister told the House of Councillors Foreign Affairs Committee.

Muto was apparently referring to the power struggle in Russia, in which Yeltsin is reportedly trying to persuade the opposition-dominated Congress of Peoples' Deputies to endorse a new constitution giving him powers to suppress parliamentary dissent.

The Russian leader earlier expressed his willingness to visit Tokyo "in September or October" in a letter to Prime Minister Kiichi Miyazawa after his sudden decision to ditch his plan to visit Tokyo in May.

"It may not be appropriate to pin much expectation on a Yeltsin visit in view of his track record," Muto said. Prior to scrapping the visit in May, the Russian leader canceled another planned trip last September, also at short notice.

Yeltsin, who initially cited "domestic troubles" as the reason for the cancellation, later blamed the decision on Japan's persistent demand for the return of four Russian-held islands off Hokkaido which Russian troops overran and occupied in the last days of World War II.

Muto also told the parliamentary panel that Japan would be "annoyed" if the Russian Government refused to live up to the 1956 written declaration in which it vowed to return two of the four territories—Shikotan and the Habomai group of islets.

Foreign Media Offered Press Clubs Membership

OW1006081293 Tokyo KYODO in English 0719 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Foreign journalists in Japan should be granted "fair and equal" access to news sources through full membership in the country's exclusive press clubs, a Japanese newspaper organization decided Thursday. The Editorial Affairs Committe of the Japan Newspaper Publishers and Editors Association made the statement in a new guideline regarding the kisha (press) clubs. Its statement capped years of pressure from foreign media organizations to pry open Japan's press clubs, some of which have refused to grant membership to foreign correspondents in the country.

The committee's guideline said the clubs, "as a matter of principle, should grant full membership to foreign correspondents who wish to join." It said the clubs should permit member foreign reporters to attend both formal and informal press connerences, and not obstruct them from "fair and equal access to news sources." The press clubs had formerly only admitted journalists employed at Japanese newspapers, news agencies and broadcasting companies that are members of the association. Most information from government ministries and offices, business and trade associations, and major private enterprises is channeled through press clubs.

In mid-November, the Foreign Ministry's "kasumi" press club revised its regulations and formally admitted two news agencies, ASSOCIATED PRESS of the United States and REUTER Japan of Britain. It was the first of the hundreds of press clubs in Japan to accept journalists from foreign media as full members. The change was perceived as a radical departure from stopgap measures for foreigners by other clubs covering government offices.

Foreign journalists in Japan have chafed at their exclusion from background briefings given by government officials to press club members, often on an off-the-record basis. While club members have privileged access to officials in charge of specific issues, direct calls from foreign reporters are usually rerouted through the relevant ministry's section in charge of media relations.

Supporters of the press club system say it is necessary to ensure equal coverage among competing news organizations and guarantee that news embargoes are respected. There is also the belief that government officials are more apt to speak frankly to Japanese journalists knowing they will not be quoted.

Critics of the system say it carries the risk of fostering excessively close relations between reporters and their sources, while citing the danger of information being restricted and manipulated.

In the Japan-U.S. Structural Impediments Initiative (SII) talks, U.S. negotiators have repeatedly complained about the closed nature of the clubs.

Tokyo Offers 9.4 Billion Yen in Aid to Egypt

OW1006095193 Tokyo KYODO in English 0927 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Japan on Thursday offered Egypt some 9.4 billion yen in grant assistance, the Foreign Ministry said Thursday. Officials said representatives of the two countries exchanged diplomatic notes relating to the assistance earlier in the day in Cairo.

The largest of the three grants was 7.58 billion yen for a project to rehabilitate a 1,640-meter tunnel connecting the main part of Egypt with the Sinai peninsula across the Suez Canal.

Another grant for 1.20 billion yen will be provided for the construction of a nursing school at Cairo University.

Japan also offered 600 million yen in gratuitous aid for procuring of agricultural machinery to raise Egypt's food production capability.

Tokyo Offers Mongolia 2.6 Billion Yen in Aid

OW1006085393 Tokyo KYODO in English 0823 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Japan has offered to extend some 2.6 billion yen in grant assistance to Mongolia, the Foreign Ministry said Thursday. Representatives of the two countries exchanged diplomatic notes relating to the grants earlier in the day in the Mongolian capital of Ulaanbaatar, ministry officials said.

The largest portion of the assistance—1.12 billion yen—is for setting up transshipment facilities on Mongolia's border with China, where trade is hampered by the fact railway tracks of the two countries are incompatible. Lacking facilities of its own, Mongolia has had to dip into its precariously low foreign currency supply to pay China to move imported products from one train to another at the Chinese side of the border.

The second largest grant offered was for procuring 538 million yen worth of medical equipment.

A third grant of 306 million yen will be provided for an ongoing project to rehabilitate two boilers at a thermal power station in Ulaanbaatar. Officials said Japan intends to commit an additional 356 million yen for the project next year.

Japan also offered a grant of 300 million yen for the purchase of Chinese wheat flour to alleviate Mongolia's food shortage.

Nagano Urges Government To Cut Income Tax

OW0806094193 Tokyo KYODO in English 0909 GMT 8 Jun 93

[Text] Tokyo, June 8 KYODO—Takeshi Nagano, president of the Japan Federation of Employers' Associations (Nikkeiren), called on the government Tuesday to incorporate income tax cuts in a new supplementary budget this fall.

Nagano told a news conference the domestic economy may slump again due to the steep appreciation of the yen, although it has begun to show signs of recovery. Nothing is better than income tax cuts to stimulate personal spending and such steps should be included in the new supplementary budget to be formulated this fall, he said.

The 2.19 trillion yen supplimentary budget to incorporate extra spendings for stimulating the economy became law Tuesday. The extra budget is designed to finance the 13.2 trillion yen fiscal stimulus package unveiled in April.

The Japanese economy is slowing again as a whole because of the yen's appreciation despite progress in inventory adjustments, Nagano said, adding that personal consumption and capital expenditures remain sluggish, necessitating measures to stimulate them.

Chief Economic Planner: Slowdown 'Almost Over'

OW1006014493 Tokyo KYODO in English 0120 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Japan's chief economic planner on Thursday declared the long-drawn-out economic slowdown almost over. Hajime Funada, director general of the Economic Planning Agency (EPA), said in a monthly report to a meeting of economic ministers that the economy "seems to have almost bottomed out."

Funada's declaration seems to mark a virtual end to the economic slowdown, which the EPA believes started in February 1992 but private-sector economists put as beginning in the first quarter of 1991.

Some government agencies, however, notably the Ministry of International Trade and Industry, oppose a "premature" declaration of economic recovery in hopes of obtaining further pump-priming measures, agency sources said.

Indeed, the agency's report on the state of the economy stops short of declaring a full-fledged recovery. "The economy is showing signs of recovery, although it is still in an adjustment phase and remains sluggish," the EPA report says.

The sources said Funada's declaration reflects the agency's determination to quickly respond to the ups and downs of the economy. The EPA has been criticized for its slow reaction to past shifts in economic cycles and even accused of worsening matters by its tardiness.

The sources also said Funada apparently has in mind the summit meeting of the Group of Seven industrial countries in Tokyo in July, where Japan will probably face renewed pressure from its partners to do more to stimulate the economy and boost imports to control its towering trade surplus.

Brighter spots cited in the EPA report include strong performance in the housing sector and public works spending, a recovering money supply, and rising stock prices. Weakness, meanwhile, can be observed in continuously depressed corporate finances and persisting reluctance to spend among both consumers and corporations.

Despite some uncertainties, the agency has relied above all on its diffusion indexes in making the diagnosis, an agency official said.

The EPA recently reported the coincident index, which indicates the present state of the economy, surpassed the "boom-or-bust" line of 50 percent for the second consecutive month in the latest available report for March. If the key index stays above 50 for three months uninterrupted, it is usually taken to suggest the economy is picking up.

"The report implies that the economy has mostly hit bottom and pulled out from the worst state," the official said. But he quickly added the economy is not yet in a full-fledged recovery stage, since the pickup is largely a "government-engineered one," referring to the government's series of economic stimulative efforts, including the latest 13.2 trillion yen pump-priming package.

"We can call it genuine if private-sector demand joins as a prop," he said.

Still, the official was cautiously optimistic, saying the budding recovery will not be short-lived, as many crippling factors—inventory reduction, the aftermath of the collapsed economic "bubble," and others—have almost gone.

"There will be no reversal in the overall tide, though temporary ups and downs may be inevitable," the official said. He cited murky prospects for industrial output and the yen's sharp upswing in value in recent months as possible dampers in coming months.

Tanahashi Says Economy 'Not Yet Hit Bottom'

OW1006082793 Tokyo KYODO in English 0754 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Japan's Vice Trade Minister Yuji Tanahashi said Thursday the nation's economy has not yet hit bottom, a response to Economic Planning Agency Director General Hajime Funada's remarks the same day suggesting otherwise. The vice minister for international trade and industry said Funada's view is not the result of a government consensus and his ministry thinks the bottom is still two or three months away.

Tanahashi also expresssed his view that the July 7-9 Tokyo summit of the Group of Seven economic powers would not pay much heed to Funada's comments, referring to speculation that Funada made the comments in the hope of relieving pressure on Japan to take further steps to stimulate the domestic economy.

Tanahashi said at a press conference that inventory adjustments may be coming to an end but production has not yet shown signs of recovery.

Funada told reporters earlier in the day, "It would not be incorrect to consider that the economy has hit bottom" according to a careful study of various factors.

Meanwhile, Tanahashi said the dollar's bearish mood in the market would severely hurt the profitability of the export industry and thus have a negative effect on personal consumption.

Major Firms Report on Business Conditions

OW1006130793 Tokyo KYODO in English 1237 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Only one in five major corporations in Japan has reported an improvement in their business situation, the Ministry of International Trade and Industry (MITI) said Thursday.

MITI officials, citing the results of a survey as of May 20, said 18 percent of 149 big businesses reached that conclusion, against only 3 percent in a survey done three months earlier. It said 64 percent reported a deterioration in their sales and profit position from a year earlier, less than the 72 percent recorded three months before.

Among the corporations reporting an improvement were many businesses in the fields of housing, electric power and construction machinery, the officials said.

Nearly half—48 percent—expect things to pick up six months from now, compared with only 31 percent three months earlier. But 42 percent expect little change in six months by December.

The survey said 34 percent expect their capital spending in fiscal 1993 to increase from the previous year. By contrast, 49 percent reported a decrease in their capital investments in fiscal 1993, mainly because of the likelihood of no increase in demand or overcapacity.

Diet To Enact First Law for Part-Time Workers

OW1006104293 Tokyo KYODO in English 0930 GMT 10 Jun 93

[Text] Tokyo, June 10 KYODO—Japan's first law setting guidelines for employment of part-time workers will pass the House of Councillors on Friday [11 June], government officials said Thursday. They said the law was approved at the upper house labor committee Thursday for endorsement at the plenary session.

The law, the first of its kind in Japan, is aimed at improving the welfare of part-time workers. It provides for the establishment of a center to assist part-time workers. The center will offer subsidies to employers hiring part- timers.

Employers are required to put the working conditions in writing when they hire part-time workers. The law also authorizes the labor minister to provide guidance, help and recommendations to employers.

The law will be reviewed in three years' time, the officials said.

North Korea

Daily Urges South To End Nuclear Issue Dispute

SK1006050793 Pyongyang KCNA in English 0452 GMT 10 Jun 93

["South Side Must Renounce Far-fetched Argument"—KCNA headline]

[Text] Pyongyang, June 10 (KCNA)—NODONG SINMUN today comments on the unreasonable act of the South side in insisting on the discussion of the "nuclear problem" at a Panmunjom contact of working-level delegates of the authorities of the two sides, turning down the proposal of the North side to discuss and solve pending issues between the North and the South such as the improvement of North-South relations, reunification and the denuclearisation of the Korean peninsula by means of exchanging presidential envoys.

The analyst says:

Our side's proposal for the exchange of presidential envoys is a reasonable one which would make it possible to smoothly solve in the shortest time all the problems including those demanded by the South side. But the proposal of the South side cannot be viewed as a correct formula of the solution of problems.

The South side's proposal, first of all, is very passive and unrealistic in the formula of solving problems. The outstanding issues between the North and the South including the denuclearisation of the Korean peninsula are not merely business-like ones but very important political ones related to the destiny of the whole nation and urgent ones which require an immediate solution.

So, if low working-level officials who have neither competence nor final say sit at the negotiating table, they will only engage in bickering, never solving the problems.

Another point problematic in the South side's stand is that it lacks consistency in its attitude toward the North-South relations.

Only 100 days ago, the South Korean chief executive said in his "inaugural address" that he wanted to meet with the North any time in any place.

What causes greater apprehensions in the stand of the South side is its indecisive attitude deviated from the principle of national independence.

They are dispatching high-level delegations to the United States and all other parts of the world, claiming that the issue of denuclearising the Korean peninsula must be solved "in cooperation with the outside forces".

The stand of the South side in sending high-ranking delegations to other countries to hatch sinister plots, whild evading a high-level contact with fellow countrymen, cannot but be a treachery plunging the whole nation into destruction with the help of outside forces.

The South Korean authorities must know how to act reasonably.

They are now talking about the cure of "diseases of South Korea," twanging the harp of "civilian politics". If they truly want to cure such diseases, they must cure first of all the disease of dependence on outside forces and the disease of national ruin.

The South Korean authorities must clearly know that if they wield their fists when the United States does so, dancing to its drum-beating, their arm will be broken.

Demand for South Party Leader's Execution Denounced

SK0506052193 Pyongyang KCNA in English 0451 GMT 5 Jun 93

[Text] Pyongyang, June 5 (KCNA)—The "Seoul district prosecutor's office" Thursday held the final hearing on the appeal of Kim Nak-chung, former chairman of the Popular Party, vice-chairman of the Peaceful Reunification Research Society and advisor to the Council for Democratic Reforms and Social Progress (Minsahyop), and decided to demand a death sentence for him, the "Christian Broadcasting System" of South Korea reported.

It is an entirely unjustifiable act to attempt to condemn Kim Nak-chung to capital punishment.

The "Security Planning Board" arrested him in August 1992 and published the socalled "results of investigation into the Kim Nak-chung case" on September 7 that year and branded him as a "longest-term stationary spy".

The South Korean authorities charged that Kim "got in touch with North's operative" and "spied out state secrets after receiving an operation fund". But this was an invention of the "SPB".

Kim Nak-chung founded the popular party and, acting as its chairman, wrote articles calling for a true democratisation of South Korean society and the peaceful reunification of the country and gave lectures on them. This can never be branded as "spying activities".

The decision of the South Korean authorities to demand death penalty for Kim is a product of a premeditated intrigue to foster antagonism and hatred against the North among the people and deteriorate the North-South relations by connecting him with the North in a far-fetched manner.

Such act shows that they are following in the footsteps of the preceding military fascist dictators behind the curtain of "civilian politics".

The South Korean authorities must stop doing base acts against the North, immediately revoke the unreasonable demand of death sentence for Kim Nak-chung and set him free at once.

Dailies Denounce 'Brutal Crackdown' in South

SK1006061193 Pyongyang KCNA in English 0444 GMT 10 Jun 93

["'Papers on Deceptive Nature of South Korean Puppets' 'Civilian Government'"—KCNA headline]

[Text] Pyongyang, June 10 (KCNA)—Papers here today denounce the South Korean authorities' recent brutal crackdown on the students who, on the occasion of the 13th anniversary of the Kwangju popular uprising, rose in a struggle calling for a probe into the truth behind the Kwangju incident, an apology of the United States and the punishment of chief culprits in the massacre and for the reunification of the country.

A NODONG SINMUN analyst says:

They are brandishing the sword against the people and aggravating North-South relations, antagonizing the fellow countrymen, in league with outside forces, just as their predecessors did. This is the real picture of the present "regime" which has advertised "civilian politics" and "reform", waxing eloquent about "breakaway" from the "Fifth and Sixth Republics".

The wholesale repressive campaign sweeping South Korea at present is virtually a replica of the fascist "security-oriented politics" pursued by the ill-famed dictators of the "Sixth Republic".

Either in view of their crackdown designed to stifle democracy, or in view of their acts to obstruct national unity and reunification, or in view of their zealous conspiracy with foreign forces against fellow countrymen, the South Korean "regime" is obviously acting just as the former military dictatorial "regimes" did, lashing people into a fury.

This tells that the Kim Yong-sam "regime" has deceived and fooled the people under the signboard of "civilian government".

The "Security Planning Board" had pretended to lower its head through a show of "simplification of structure" with the emergence of the "civilian government", but raised its head again to suppress the patriotic action of students and hold sway over all the problems including North-South relations.

The U.S. imperialists, seeking to keep hold on South Korea as its colony, this time, too, drove conservative ultra-rightist reactionary forces into repression, terrified at the massive action of students. Hence, civilian politics cannot be realized in South Korea unless foreign domination and interference are terminated and the rightwing reactionary force working hand in glove with foreign forces and under their aegis are ousted from power.

If the South Korean "regime" really seek civilian politics, it must decisively break with outside forces and the rightwing reactionary force patronized by them and carry out a "reform" by dissolving the "Security Planning Board" and other repressive machines and scrapping the fascist laws including the "National Security Law". Otherwise, "civilian politics" is nothing but a phrasemongering, however loudly it may be advertised.

Korean War 'Victory' Celebrated in Vienna

SK0806212793 Pyongyang KCNA in English 1501 GMT 8 Jun 93

[Text] Pyongyang, June 8 (KCNA)—A meeting to celebrate the 40th anniversary of the victory of the Korean people in the great fatherland liberation war was held in Austria on May 24.

Helmut Heidweger, chief of the Group for the Study of the Chuche Idea of President Kim Il-song in Vienna, said in his speech that the great fatherland liberation war of the Korean people was a war of justice to safeguard freedom and independence.

"After the war, the Korean people have built on debris a powerful state, independent, self-supporting and self-reliant in defence, envied by the world," he said, adding: "Recently, the United States and the South Korean authorities have launched an offensive against the Democratic People's Republic of Korea including new war provocation moves and "nuclear pressure", but they could not frighten the Korean people led by the great his excellency president and his excellency respected supreme commander."

Messages of greetings to the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il were adopted at the meeting.

'Sinister Aim' Seen Behind Japan's Nuclear Focus

SK1006053393 Pyongyang KCNA in English 0419 GMT 10 Jun 93

["Base Trick To Become Nuclear Power"—KCNA headline]

[Text] Pyongyang, June 10 (KCNA)—The Japanese authorities are trying to attain their sinister aim, raising more hysteric outcries over the "nuclear problem" of the DPRK.

According to YOMIURI SHIMBUN, Japanese Prime Minister Miyazawa at the Budget Committee of the House of Councillors on June 7 took issue with the DPRK's withdrawal from the Nuclear Nonproliferation Treaty. He drivelled that the "development of nuclear weapons by North Korea poses a direct threat to Japan."

This was a crafty ruse to bring international "sanctions" and pressure against the DPRK on the unreasonable charge of "development of nuclear weapons" and a base trick to justify the wild ambition of Japan to become a nuclear power.

As is known, the "nuclear problem" of the DPRK is a false rumor invented by the United States. The United States manipulated some officials of the secretariat of the International Atomic Energy Agency to demand a "special inspection" of our Republic. These days it is trying to take "sanctions" against the DPRK at the U.N. Security Council over its withdrawal from the NPT.

The Japanese reactionaries, chiming in with the United States in such "nuclear pressure", are raising a hue and cry over the "threat" of the DPRK. This is preposterous, indeed.

It is, in fact, not the DPRK which has neither intention nor capacity to manufacture nuclear weapons but Japan which is hastening its conversion into a nuclear power, that threatens peace and security in Asia and the rest of the world.

It is an open secret that Japan continues shipping in plutonium from Britain and France and has built 40 odd atomic power plants in the country wholly with domestic equipment.

Japan can become a nuclear power in a moment any time.

Not without reason did the U.S. Heritage Foundation note that Japan was a state which could threaten East Asia with nuclear weapons and conventional weapons.

Japan should not forget its historical lesson as a nuclear victim but give up at once the development of its own nuclear weapons seriously threatening peace and security of Asia and the world.

Paper Denounces Japan's 'Nuclear Threat'

SK1006105293 Pyongyang KCNA in English 1021 GMT 10 Jun 93

["Growing Japan's Nuclear Threat"—KCNA headline]

[Text] Pyongyang, June 10 (KCNA)—Japan's exceptional zeal in the row over the "suspicion of nuclear development" against the DPRK is intended to justify her nuclear armament, says NODONG SINMUN today in a signed article entitled "Growing Japan's Nuclear Threat". It urges that Japan should stop the despicable farce, give up her nuclear armament program and strive for the denuclearization of the Korean peninsula and her own if she truly wants peace.

Japan's nuclear armament is being promoted rapidly through the stockpiling of large quantities of nuclear materials and research into and development of nuclear weapons and means of their delivery, the article notes, and goes on:

Japan has produced much plutonium since it built a nuclear fuel reprocessing plant in Tokai-mura, Ibaraki Prefecture, in 1981, and is now accelerating the construction of another plant, the largest in scale in the world, in Rokkasho-mura, Aomori prefecture. And she will purchase 40 tons of plutonium from France and Britain till 2010. Her stock of plutonium reportedly stood at 26 tons last year. Experts say that such amount of plutonium is enougm to make more than 3,000 a-bombs of Nagasaki type.

Japan which began developing nuclear arms long ago, has now reached the most advanced level in the world in nuclear technology and fevelopment of delivery means.

For the International Atomic Energy Agency to allow Japan to build large nuclear fuel reprocessing facilities and stockpile much plutonium means tacit approval of Japan's effort to become a nuclear weapon state. This has a negative effect on nuclear non-proliferation.

The nuclear problem of the world cannot be solved, nor can durable peace and security be ensured in the world unless the "double standard" policy is rectified at the United Nations and other international arena.

The UN, if it is to fulfill its mission for global peace and security, must thoroughly reject the "double standard" policy in the nuclear issue and abide by the principle of international justice and impartiality.

Japan Criticized for Offer To Help U.S. Forces

SK0806044593 Pyongyang KCNA in English 0416 GMT 8 Jun 93

["Japanese Prime Minister's Blast Against Desire for Peace"—KCNA headline]

[Text] Pyongyang, June 8 (KCNA)—Japanese Prime Minister Miyazawa, in talks with the chairman of the Subcommittee of Defence Appropriations of the Senate Appropriations Commission of the United States on June 3, openly argued that "continued presence of the U.S. forces in the Asia-Pacific region is important for peace and security in this region," reported NHK.

He said as if the nations in this region wanted the presence of the U.S. Forces. Meanly enough, he said that Japan would continue offering financial assistance for the presence of the U.S. Forces in Japan.

The outburst of Miyazawa is a mockery of and a challenge to the desire of the peoples in the Asia-Pacific region for peace and security of the region.

If Japan continued supporting the presence of the U.S. Forces in Japan, going against their desire for peace, it would have nothing to get. The peoples in the Asia-Pacific region will never tolerate Japan's intention to become a "regional power" with the backing of the United States.

Miyazawa would be well advised to think and act with reason.

Anti-Japanese Demonstration Anniversary Marked

SK1006110793 Pyongyang KCNA in English 1051 GMT 10 Jun 93

[Text] Pyongyang, June 10 (KCNA)—A Pyongyang meeting marking the 67th anniversary of the June 10 anti-Japanese independence demonstration was held today.

The demonstration was a massive anti-Japanese patriotic struggle against the brigandish colonial rule of the Japanese imperialists over Korea and for the restoration of national dignity and sovereignty and the independence of the country.

In his report Yu Ho-chun, director of the secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland, said the demonstration showed that the patriotic spirit of the Korean people was alive under the harsh suppression of the Japanese imperialists and no force could break the ardent desire and indomitable will of the Korean people against their colonial rule and for the sovereignty of the nation and the independence of the country.

Referring to the grave situation created on the Korean peninsula today, he stressed:

"If the United States and the international reactionaries persistently seek 'sanctions' against us with groundless charges, 'internationalizing' our 'nuclear problem,' we cannot but take a more decisive self-defensive measure against them."

The reporter further said:

"All the Koreans in the North, South and overseas must promote national reunification, the greatest desire of our nation, at any cost by implementing the 10-point programme of the great unity of the whole nation, a great charter of national unity for national reunification.

"If the South Korean authorities truly aspire after national independence and hope for great national unity, they must immediately show an affirmative attitude toward our four-point demand including the renunciation of the policy of dependence on outside forces.

"If the present 'regime' of South Korea really intend to pursue 'civilian government,' it must take practical steps to decisively break with the 'fifth and sixth republics' which obstructed the democratic development of South Korean society.

"The United States, a party responsible for the division of Korea, must refrain from obstructing peace and reunification of Korea and withdraw its troops and nuclear weapons from South Korea without delay. It must no longer threaten us over the 'nuclear problem' but manifest a sincere attitude and stand in the discussion of the nuclear problem and other matters of common concern.

"The Japanese authorities must not act indiscreetly, dancing to the tune of the United States in putting pressure on the DPRK over the nuclear problem, and must renounce their hostile policy toward it.

Daily: Japan Intends To Maintain 'Old Order'

SK0906050193 Pyongyang KCNA in English 0449 GMT 9 Jun 93

["Shameless Sermon"—KCNA headline]

[Text] Pyongyang, June 9 (KCNA)—Japanese Prime Minister Miyazawa recently told the chairman of the U.S. Senate Defense Appropriations Subcommittee that the presence of U.S. Forces was "important" for "peace and security" in the Asia-Pacific region.

A NODONG SINMUN analyst today brands his remarks as a revelation of Japan's intention to maintain the old order of domination and subjugation on the plea of "peace".

The news analyst says:

The U.S. military occupation of South Korea and other areas of the Asia-Pacific region was connected with the Cold War between the East and the West. Now that the Cold War has come to an end, there is no reason for the U.S. Forces to remain in this region.

This notwithstanding, the Japanese ruling quarters are trying hard to keep the U.S. Forces in the Asia-Pacific region. This runs against the desire of the people in this region for peace.

"Peace" preserved while the territory of one's country is under the jackboots of the foreign aggression forces and independence and sovereignty is violated by them cannot be a genuine peace. [sentence as received]

The Japanese ruling quarters' attempt to keep the U.S. Forces in the Asia-Pacific region is motivated by their design to invade Asian countries again. Japan, a military ally of the United States under the mutual "security pact", is trying to gratify this design with the backing of the United States and by taking advantage of its Asia strategy.

It is a customary practice of the Japanese militarists to invade other countries with the backing of big imperialist forces.

However hard the Japanese reactionary ruling quarters may try to keep U.S. Forces in the Asia-Pacific region, the U.S. Forces cannot hold out in this region but will be forced to withdraw therefrom in the long run.

SPA, Kazakhstan Groups Hold Talks in Almaty

SK0906045193 Pyongyang KCNA in English 0438 GMT 9 Jun 93

[Text] Pyongyang, June 9 (KCNA)—Talks between delegations of the Supreme People's Assembly [SPA] of the

Democratic People's Republic of Korea and the Supreme Soviet of Kazakhstan were held in Almaty on June 4.

Present at the talks on the Korean side were the members of the delegation of the SPA led by its Chairman Yang Hyong-sop and the ambassador and the trade representative in Kazakhstan, and on the opposite side were Chairman Abjiljin and the vice-chairman of the Supreme Soviet of Kazakhstan and officials concerned.

At the talks, the chairman of the Supreme Soviet of Kazakhstan mentioned the need of closer cooperation between the two countries.

He said that the "10-point programme of the great unity of the whole nation for the reunification of the country" put forward by the great leader President Kim Il-song was a most just proposal to achieve the reunification of Korea.

The talks proceeded in a friendly atmosphere.

Sign Cooperation Accord 7 Jun

SK1006051293 Pyongyang KCNA in English 0424 GMT 10 Jun 93

[Text] Pyongyang, June 10 (KCNA)—A protocol on cooperation between the Supreme People's Assembly [SPA] of Korea and the Kazakh Supreme Soviet was signed in Almaty on June 7.

The protocol was signed by the head of the SPA delegation of Korea and the chairman of the Kazakh Supreme Soviet.

Vice President Continues Tour of African Nations

Meets Ugandan Vice Premier 4 Jun

SK1006094093 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 8 Jun 93

[Text] DPRK Vice President Comrade Yi Chong-ok, special envoy of the great leader Comrade Kim Il-song, met with Eriya Kategaya, member of the Political Bureau of the Ugandan Resistance Movement and first deputy prime minister of the Republic of Uganda, on 4 June.

At a meeting, the first deputy prime minister said he does not forget that when he visited the DPRK as a chief delegate of the delegation of the Ugandan Resistance Movement in August 1991, he was received and taught by His Excellency the great leader President Kim Il-song. He extended his wholehearted thanks to His Excellency the respected and beloved president and His Excellency the dear leader Kim Chong-il, who have paid deep attention to the Ugandan people constructing a new society.

He said that he is satisfied with the fact that even under today's complex international situation, the friendly relations between the two countries are constantly strengthened and developed. He confirmed that the Ugandan people positively support His Excellency great president's 10-point program of great unity of the whole nation for reunification. He also confirmed that the Ugandan people will express solidarity to the Korean people's cause for reunification.

The special envoy went around the (Namulonge) Agriculture Research Institute on 5 June. After the special envoy went around the agriculture research institute, secretary of the Ministry of Agriculture and Forestry said that the Korean agricultural technicians have performed a great success in developing new rice variety suitable to the Ugandan climate and territory. He added that this is a model of the South-South cooperation. He stressed that on behalf of the Ugandan Government and people, he thanks His Excellency the great leader President Kim Il-song and His Excellency the dear leader Kim Chong-il for sincerely helping develop Ugandan agriculture.

Arrives in Tanzania 6 Jun

SK1006101493 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 8 Jun 93

[Text] DPRK Vice President Comrade Yi Chong-ok arrived in Dar es Salaam on 6 June to visit Tanzania.

Salmin Amour, second vice president of the United Republic of Tanzania and president of Zanzibar; functionaries concerned; and our country's ambassador there met vice president at the airport.

In the mean time, Comrade Yi Chong-ok, who had visited Uganda as the special envoy of the great leader Comrade Kim Il-song, left Kampala on 6 June.

Kim Il-song Sends Message to Al-Qadhdhafi

SK1006110093 Pyongyang KCNA in English 1039 GMT 10 Jun 93

[Text] Pyongyang, June 10 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Mu'ammar al-Qadhdhafi, leader of the Great September First Revolution of the great Socialist People's Libyan Arab Jamahiriya, on the occasion of the 23rd anniversary of the dismantlement of the U.S. military base in Libya.

President Kim Il-song in the message said the Korean people extend firm solidarity to the Libyan Arab people in their struggle to smash the continued threats and blockade by the imperialists and defend the dignity and sovereignty of the nation.

Believing that the friendly and cooperative relations between the two countries would further strengthen and develop through the joint struggle for the anti-imperialist independence, he wished Mu'ammar al-Qadhdhafi and the Libyan Arab people greater success in the endeavors to build a new society.

Group Departs for Human Rights Meeting in Austria

SK1006110593 Pyongyang KCNA in English 1043 GMT 10 Jun 93

[Text] Pyongyang, June 10 (KCNA)—A DPRK delegation headed by Paek In-chun, vice-chairman of the Supreme People's Assembly, left here today by air to attend a world human rights conference due to be held in Austria.

Leaving aboard the same plane were a delegation of the Korean Society for Human Rights studies led by its chairman and a delegation of the measure committee for compensation to the "comfort women for the army" and victims of the Pacific war to the conference.

Workers Party Group Begins Latin America Tour

SK1006110293 Pyongyang KCNA in English 1041 GMT 10 Jun 93

[Text] Pyongyang, June 10 (KCNA)—A delegation of the Workers' Party of Korea headed by Yi Mong-ho, member of the WPK Central Committee, left Pyongyang today to visit Latin American countries.

It was seen off at the airport by Kim Hyong-u, vice-director of a department of WPK Central Committee.

Bulgarian Government Economic Delegation Leaves

SK1006083393 Pyongyang Korean Central Broadcasting Network in Korean 1500 GMT 8 Jun 93

[Text] The Bulgarian Government's economic delegation led by Deputy Minister of Trade Kiril Velev left for home by airplane on 8 June.

Kang Chong-mo, vice chairman of the External Economic Commission, and Atanas Mladenov, Bulgarian charge d'affaires to our country, saw the delegation off at the airport.

MINJU CHOSON Observes World Environment Day

SK0506050593 Pyongyang KCNA in English 0426 GMT 5 Jun 93

[Text] Pyongyang, June 5 (KCNA)—MINJU CHOSON today dedicates a by-lined article to World Environment Day, which says the DPRK has turned into a beautiful country clad in thick woods and with clean rivers, a pollution-free country good to live in, under the correct environmental protection policy of the government.

Now, deep attention is paid to environmental protection worldwide and a series of steps have been taken on an international scale, the article says, and goes on:

In Korea, environmental protection is being promoted actively amid state concern under the wise guidance of the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il.

The law on environmental protection was adopted long ago and state investment in this domain has been increased to protect the ecological environment.

This year the state environmental commission was formed and the work of taking measures to strengthen the environmental protection system and carrying them into practice is becoming further organized and systematized.

International cooperation between the DPRK and the UN environment program has been strengthened.

In the future, too, the Korean people will protect the country's environment better and make every effort to greatly contribute to the international environmental protection.

Environmental Achievements Noted

SK0506001493 Pyongyang KCNA in English 1512 GMT 4 Jun 93

[Text] Pyongyang, June 4 (KCNA)—June 5 is the World Environment Day.

In 1972 the 27th UN General Assembly, putting forth environmental protection as a common task of mankind, decided to promote worldwide cooperation in this sphere and observe June 5 every year as World Environment Day.

The Democratic People's Republic of Korea which regards environmental protection as a major part of the state activities adopted "Law on Environmental Protection" at the fifth session of the seventh Supreme People's Assembly in April 1986.

It is pushing ahead with the work for improving the environmental looks of the country and promoting the wellbeing of the working people every year in conformity with the requirement of the developing realities.

This year, too, afforestation and water conservancy have progressed successfully.

According to data available at the Forestry Department of the General Bureau of Land Administration, over 280 million trees were planted in an area of 50,000 hectares nationwide and woods of thousands of hectares created in major industrial districts and residential quarters in spring this year.

Forests of trees of economic value and oil-bearing trees and scenic forests have been created everywhere in the country and parks, recreation grounds and flower gardens extending hundreds of thousands square meters built in towns and villages.

The Workers' Party of Korea and the state direct big efforts to anti-pollution measures in keeping with the rapid development of industry while providing the people with beautiful and cultural environment of living.

Over the last five years new gas and dust absorbing devices have been actively developed and introduced and 12,000 environmental protection facilities remodelled on modern lines.

Scores of more observation posts have been set up in major cities and industrial districts to make a daily analysis of the environmental conditions.

The air pollution in the country now is less than one-tenth of the international tolerable limit.

The sanitary conditions of water and soil, too, are on the advanced level in the world.

Under the WPK's popular environmental protection policy the animal resources are sharply increasing.

Deers, snow deers, and musk deers which could hardly be seen in the central part of Korea after the war are now moving in flocks and rare birds such as kullaksae (a kind of woodpecker) find their habitat there.

In the last ten years nearly 40 kinds of animals, among them 23 kinds of birds, such as white swallow, anas crecca, black viper and white raccoondog have appeared.

It is quite common that pheasants fly to and various birds build their nests in the compounds of large chemical factories and iron and steel works and rivers and lakes teem with fishes.

Six nature reserves, 29 animal and plant reserves and 10 sea bird and aquatic resources reserves have been set up in Korea now.

Nature reserves including those in Mts. Paektu, Kumgang and Myohyang which are scenic spots widely known to the world greet an increasing number of tourists year after year.

The state which regards environmental protection as an important matter related to the survival of mankind is taking a series of scientific and technical measures to check global warming.

Delegates Speak at Cilreco Meeting in Portugal

SK0706120393 Pyongyang KCNA in English 1039 GMT 7 Jun 93

[Text] Pyongyang, June 7 (KCNA)—Delegates of the governments, political parties and organizations of different countries and international organizations made speeches at the world conference for supporting the Korean people's cause of peace, security, sovereignty and reunification held in Lisbon.

Dominic Mintoff, honorary chairman of the International Liaison Committee for Reunification and Peace in Korea (Cilreco) and former prime minister of Malta, said the "10-point programme of the great unity of the whole nation for the reunification of the country" worked out by President Kim Il-song signifies an epoch-making step to open the way for the solution of the Korean question with unified efforts of the whole nation.

"The Korean people have been able to successfully build socialism under difficult conditions in confrontation with the United States, because they have displayed patriotism and devotion to the full on the basis of love for the nation and spirit of independence in close unity of the entire people around the great leader President Kim Il-song," he stressed.

Dogu Ferincek, chairman of the Workers' Party of Turkey, said his party and people, regarding confederacy as the most reasonable reunification formula according with the present conditions of Korea, extended full support and solidarity to the Workers' Party and people of Korea in their struggle to found a confederal state based on one nation, one state, two systems and two governments set forth by the great leader of the revolution Comrade Kim Il-song. Mohamed Arif, delegate of the Afro-Asian People's Solidarity Organization, said that what is important in achieving peace in Korea and its reunification according to the 10-point program is that the interference of outside forces in the internal affairs of Korea is terminated and the South Korean authorities make clear their stand towards the four-point question.

Joe Debono Grech, vice-chairman of the Cilreco amd member of the parliament from the Malta Labour Party, said the "special inspection" campaign is targeted not only against the DPRK but also against all the non-nuclear states which are opposed to imperialism and it is a prelude to the imperialists' reactionary offensive for establishing their "exclusive domination" on the globe.

Robert Charvin, vice-chairman of the Cilreco and secretary general of the International Committee of Jurists for Democracy and Human Rights in South Korea, said the brave stance of the DPRK that has resolutely maintained a principled stand against the vicious moves of the United States and its followers was a justifiable one reflecting the demands and interests not only of the Korean people but also the world progressive people.

"The holding of DPRK-U.S. talks confirms the justness of the principled stand of the DPRK and eloquently shows that a cause of justice is sure to win," he said.

Sean Garland, member of the executive committee and former general secretary of the Irish Workers' Party, said his party scathingly denounced the despicable political plots of the United States and its followers who are scheming to impose "collective sanctions" on the DPRK even by mobilizing the UN Security Council to isolate and stifle it, the bulwark of socialism, at any cost. Margarita Zapata, member of the national leadership of the Nicaraguan Sandinist National Liberation Front and its representative to Cuba, said the discussion of the nuclear problem of the Korean peninsula at the UN Security Council would not ensure global peace and security but would only result in wrecking them and marring the reputation of the United Nations.

David Kibirango, political advisor to the Ugandan president, said if the United Nations were willing to solve the Korean question fairly, it should not take issue with the DPRK, the victim, but put the United States, the assaulter, in the dock and pass a judgement on it.

Stanley Faulkner, vice-chairman of the Cilreco and chairman of the U.S. Lawyers Committee on Korea, said that the United States was mistaken, if it thought that it could subjugate the Korean people with strong-arm action and "collective pressure". He urged the United States to renounce its anachronistic Korea policy, withdraw its forces and nuclear weapons from South Korea and take an affirmative stand at the DPRK-U.S. talks for the solution of the "nuclear problem".

Catherine Dijon, member of the C.C. [Central Committee], the Belgian Labour Party and secretary general of the Belgian Committee for the Peace and Reunification of Korea, stated that the Korean-style socialism centred on the popular masses that is being built successfully by the Workers' Party of Korea under the outstanding leadership of respected Comrade President Kim Il-song and dear Comrade Kim Chong-il was a beacon of hope for the world people and no force could ever stifle Korea's socialism.

Mustaq Rashari, chairman of the Third World Solidarity Committee, denounced the "double-standard" policy of the United States. "If the U.S. want to act according to one standard, it should apologize for its nuclear threat," he said.

Roberto Gabriele, general secretary of the C.C., the Movement for Peace and Socialism of Italy, said that louder voices should be lifted up in all countries supporting the just stand of socialist Korea and demanding a revision of the U.S. policy towards Korea so as to force the United States to approach the DPRK-U.S. talks with a sincere attitude to remove the very root of the nuclear problem of the Korean peninsula.

Robert Parry, vice-chairman of the Cilreco and labour parliamentarian, pointed out that Britain was getting overheated in the manoeuvres to stifle the Democratic People's Republic of Korea in collusion with the United States. He declared that he would conduct brisk activities in the British Parliament for a change in the unwarrantable Korean policy of the present government and a stop to the interference in the internal affairs of Korea.

Hiroshi Wakabayashi, vice-chairman of the Cilreco and secretary general of the Japan Committee To Support the Independent Peaceful Reunification of Korea, pointed out that Japan was always in the van of the anti-DPRK campaign.

Noting Japan is heavily in debt to the Korean people down through history, he said the Japanese Government should officially apologize to the Korean people and pay sufficient compensations for it.

Addressing the conference were 30 delegates of governments and political parties of different countries and international organizations including Eva Seoane Dominguez, vice-president of the Cuban Institute of Friendship with the Peoples, Juan Ramos, general secretary of the Communist Party of the Peoples of Spain, Eric Trevett, general secretary of the New Communist Party of Great Britain.

They called for further strengthening the international solidarity movement for the Korean people struggling to achieve the country's reunification.

Government Issues Yi In-mo Stamps, Postcard

SK1006101693 Pyongyang KCNA in English 1003 GMT 10 Jun 93

[Text] Pyongyang, June 10 (KCNA)—The Korean Stamp Corporation has recently issued a new postcard and postage stamps portraying Yi In-mo, the incarnation of faith and will.

The postcard represents the emotion-packed scene of the immortal man returning to the bosom of the socialist motherland in March amid the love and respect of all people after winning in his struggle, not giving up his revolutionary principle, even undergoing all sufferings in prison for tens of years in South Korea where the traitors and fascists swagger.

One of the stamps shows the immortal who gets out of the prison grey-haired in 1988, the prison into which he was thrown in his youth in the early 1950s, with the letters "Yi In-mo, incarnation of faith and will" beneath his picture.

Another one portrays Yi overwhelmed with gratitude to the party and the leader, passing through the sea of flowers in the capital city.

Land Reclamation Project Completed in North

SK0906134793 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 8 Jun 93

[Text] Upholding the great leader Comrade Kim Il-song's teaching and the party's intention for accelerating the interior network project [naebumang kongsa] of reclaimed lands, workers in the North Pyongan Province successfully completed the interior network project in 2,000-chongbo [one chongbo equals 2.45 acres] of reclaimed lands.

Fighters for rural mechanization and agricultural workers in the province, who rose as one in accomplishing tasks set forth in the slogans of the party Central Committee on the occasion of the 40th anniversary of victory in the fatherland liberation war, effected brilliant labor feats in the interior network project by concentrating manpower and mechanical means.

The interior network project in the reclaimed lands carried out this time was a gigantic and difficult project designed to make rice farming possible by readjusting 2,000 chongbo of land among the lands that were already reclaimed in accordance with the magnificent nature-remaking project [taejayon kaejo saop] set forth by the great leader and our party.

Fighters for rural mechanization and agricultural workers in the province disposed of 612,600 cubic meters of soils and built about 230 kilometers of rain-water pathways and drainages, 96.8 kilometers of pathways in cultivated fields, about 160 structures, and land readjustment work over huge areas.

The 2,000 chongbo of reclaimed rice fields, where the interior network project was successfully completed, will contribute to increasing the nation's grain production from this year.

KCNA Reviews 10 Jun Pyongyang Press

SK1006054393 Pyongyang KCNA in English 0437 GMT 10 Jun 93

[Press review]

[Text] Pyongyang, June 10 (KCNA)—Papers here today carry a message of greetings President Kim Il-song of the Democratic People's Republic of Korea sent to Portuguese President Mario Soares on day of Portugal.

According to NODONG SINMUN, classical work of the great leader President Kim Il-song "10-point programme of the great unity of the whole nation for the reunification of the country" was disseminated and studied in different countries.

Foreign newspapers reported about the election of the dear leader Comrade Kim Chong-il as chairman of the National Defence Commission of the Democratic People's Republic of Korea, says the paper.

Given in the press is a report that Comrade Kim Chong-il extended thanks to the employees of the Hamhung cement factory in South Hamgyong Province and three-revolution team members there who have contributed to increasing the production through a vigorous technical innovation movement.

Appearing in NODONG SINMUN is "dear Comrade Kim Chong-il is glory of the people", a poem written by the chief of the group for the study of the chuche idea of the Morogoro leather factory of Tanzania.

MINJU CHOSON editorially calls for brilliantly adorning the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War by bringing about collective innovations in all domains through the high display of mass heroism.

Econews of the press includes reports about the increased production of non-ferrous metals and minerals and about fishing.

In a political essay titled "Humanness of Our Times", NODONG SINMUN deals with the beautiful communistic traits coming into full bloom in the Korean society.

The press gives an account of the 1993 international women's volleyball tournament in Pyongyang.

A protocol on cooperation between the Supreme People's Assembly of the DPRK and the Supreme Soviet of Kazakhstan was signed, according to the press.

NODONG SINMUN conveys world public voices stressing that Korea must be reunified by means of confederacy on the principle of national independence. Also seen in the paper is an article carried by the Russian paper DUBINUSHKA in celebration of the 40th anniversary of the victory of the Korean people in the Fatherland Liberation War (July 27, 1953).

In a commentary, the paper denounces the insincere, passive and hesitant attitude of the South side toward the DPRK's proposal for the exchange of presidential envoys.

South Korean news of the press includes reports that the gazette of Chungang University said Kim Yong-sam's "regime" would bump into the struggle of the working class and the resistance of the people and that the fellowship society of the wounded in the June 3 uprising published a statement demanding the retirement of Kim Chong-pil from the political arena.

Press commentaries denounce the anti-democratic, anti-reunification repressive row of the South Korean "regime" which does not befit "civilian politics".

In articles dedicated to the 67th anniversary of the June 10 anti-Japanese independence demonstration, the press calls upon Koreans in the North, the South and overseas to turn out in the struggle against foreign aggression and intervention and for the reunification of the country through the great unity of the whole nation.

The press rounds up world public voices criticizing the unreasonable "resolution" of the United Nations Security Council against the DPRK.

It is reported in the press that the Sri Lankan Foreign Minister clarified his country's independent foreign policy, a military training "Moncada 2-93-1" was held in Cuba and that Turkey denounced the violence of the neo-fascist elements of Germany.

The press observes day of Portugal.

An article of NODONG SINMUN exposes the nuclear armament of Japan.

South Korea

Soldiers Killed in Artillery Practice Accident

SK1006095593 Seoul YONHAP in English 0931 GMT 10 Jun 93

[Text] Seoul, June 10 (YONHAP)—Thirteen soldiers were killed instantly and about ten others wounded, some of them seriously, when an artillery shell accidentally went off during an artillery firing practice near Yonchon, Kyonggi Province [approximately 10 km from the DMZ], on Thursday afternoon.

The mishap occurred around 4:50 p.m. at 967th Artillery Battalion under the Army Capital Corps. Some of the victims were active servicemen and others were mobilized reservists.

It was not immediately known what did cause the blast. The Army sent a fact-finding team to the scene to investigate the cause of the accident.

Accident Caused by Fire; 19 Dead

SK1006115793 Seoul YONHAP in English 1151 GMT 10 Jun 93

[Text] Seoul, June 10 (YONHAP)—The fatal victims of a blast at an Army artillery range near Yonchon, Kyonggi Province, on Thursday afternoon swelled to 19. Five others were wounded seriously. The 19 persons killed included 16 reservists mobilized for training and three active service soldiers.

A preliminary investigation showed that a fire of unknown origin occurred at four powder keg containers, which caused a nearby 155mm shell and two flare bombs to go off. There were 20 reservists and four active service soldiers at the scene of the mishap, who were all killed or wounded badly. Army authorities plan to issue a statement of apology to the people as soon as on-the-spot investigation is completed.

Handling of Artillery 'Careless'

SK1006103093 Seoul YONHAP in English 1020 GMT 10 Jun 93

[Text] Seoul, June 10 (YONHAP)—Seventeen soldiers were killed instantly and about ten others wounded, some seriously, in an accidental blast at an Army artillery range near Yonchon, Kyonggi Province on Thursday afternoon. Some of the dead were active servicemen and the rest mobilized reservists. Those seriously wounded were taken to the nearby Tokjong Army Field Hospital. Some of them were in critical condition.

The mishap occurred around 4:05 p.m. when the 967th Artillery Battalion of the Capital Corps was giving an artillery training to mobilized reservists at the Tarakdae Artillery Range of the Sixth Corps. The exact cause of the accident was yet to be determined. But, it was preliminarily believed that four powder kegs of 155mm artillery shell went off due to careless handling. An artillery brigade commander, Capital Corps inspectors and other military investigators rushed to the scene to look into the cause of the accident and take steps to cope with its aftermath.

Further on Talks With DPRK on Nuclear Issue

No North Response to South Proposal

SK0906231793 Seoul KBS-1 Radio Network in Korean 2200 GMT 9 Jun 93

[Text] The government had proposed on 9 June to hold the South-North working-level contact on the afternoon of 10 June at Panmunjom. However, since the North Korean side did not send the list of its representatives for the working-level contact which the the South side expected to receive by the evening of 9 June, it seems that it will be difficult to hold today's working-level contact.

If the North side expresses its intent to hold the working-level contact and notifies our side of the list of its representatives for the working-level contact by sometime this morning [10 June], the government plans to send our side's representatives to Panmunjom. However, when considering the fact that the North Korean side, which is insisting only on holding discussions on exchanging special envoys, has not responded yet, it seems that there is little possibility for the North side to accept our side's proposal made on 9 June to discuss the nuclear issue also.

Therefore, because of disagreement between the South and North regarding the agenda, there is the high possibility that the holding of the working-level contact will depend on the result of the third round of U.S.-DPRK high-level talks slated for the evening of 10 June.

DPRK Envoy Urges More Talks With U.S.

SK1006014493 Seoul YONHAP in English 0125 GMT 10 Jun 93

[Text] New York, June 9 [date as received] (YONHAP)—The United States and North Korea hold the third round of their high-level talks in New York at 10 a.m. on Thursday (11 p.m. Thursday KST) to discuss Pyongyang's decision to withdraw from the Nuclear Nonproliferation Treaty effective in two days. Since the sides failed to make any progress in the previous two rounds, the United States will make a final warning to North Korea at Thursday's meeting that it faces United Nations sanctions unless it retracts its decision and stays in the NPT, sources said.

North Korea, for its part, is expected to make an overall demand that the United States remove the nuclear threat against Pyongyang, recognize and respect its socialist system and seek some kind of international guarantee of U.S. promises, they said. If Thursday's talks break down, the United States will proceed to seek sanctions against North Korea through the United Nations Security Council within next week.

Attention of the international community is fixed on whether North Korea will stick to its decision to leave the NPT despite the possible sanctions. Thursday's meeting, in other words, is a last stop for North Korea to make a diplomatic breakthrough. There is a possibility, therefore, Pyongyang might use what has come to be known as the NPT card and set forth conditions, the sources said.

But even if North Korea decides to stay in the NPT, it would probably announce its decision in Pyongyang over the weekend and not at Thursday's meeting, one diplomatic source said, requesting anonymity. Robert Gallucci, assistant secretary of state for political and military affairs, told American reporters that he did not expected North Korea to come out with a dramatic proposal.

Gallucci, who represents the United States at the talks, said he would return to Washington if North Korea failed to show any change in its attitude. But the talks could continue on Friday or Saturday if North Korea made a change in its position, Gallucci said, indicating there could be fourth and fifth meetings.

Meanwhile, Kim Chong-su, deputy ambassador at the North Korean mission to the United Nations, said: "When a conference is held, it always means the participants hope for good results." He thus reflected North Korea's desire to arrive at a certain compromise.

In a telephone interview with YONHAP, Kim said one side should not ask the other to "write a letter of surrender." The two sides should recognize each other and respect each other's position and not meddle in the internal affairs of the other, he said.

"As long as we've started talking, we should not give up just because we have different opinions but try to resolve the differences through negotiations," Kim added. North Korea will be represented at Thursday's talks by First Vice Foreign Minister Kang Sok-chu, as in the previous meetings.

North To Respond to South 11 Jun

SK1006022593 Seoul KBS-1 Radio Network in Korean 0200 GMT 10 Jun 93

[Text] This morning, North Korea notified the South over a direct telephone line in Panmunjom that it would send a telephone message tomorrow [11 June] concerning the South side's 9 June proposal to hold a contact of working-level delegates of the North and South authorities in Panmunjom this afternoon. As a result, no working-level contact will be held today.

In connection with this, a South Korean Government official said: North Korea said that it would send a telephone message tomorrow, and did not respond to the South side's proposal to discuss both the exchange of special envoys and the nuclear issue at the talks. This may be because the North intends to decide on the working-level contact upon seeing the results of the third DPRK-U.S. talks.

Officials Optimistic on DPRK-U.S. Talks

SK1006025793 Seoul YONHAP in English 0241 GMT 10 Jun 93

[By Yun Tong-yong]

[Text] Warsaw, June 9 [date as received] (YONHAP)—Pessimism is slowly changing to optimism among South Korean officials, who cautiously predict that North Korea will decide to stay in the Nuclear Nonproliferation Treaty (NPT) after Thursday's high-level talks with the United States. North Korea and the United States meet in New York for a third round of talks where Washington's minimum requirement is that Pyongyang stay in the NPT.

The international community attaches the demand that North Korea allow outside inspection of two highly suspected nuclear sites. Although Pyongyang is unlikely to accept these demands blind, officials traveling with the foreign minister say it may well switch from its stance at the previous rounds of talks with Washington on Thursday and "conditionally" remain in the NPT.

One well-informed official accompanying Foreign Minister Han Sung-chu on his European tour refused to say whether Seoul had detected any signs that North Korea was likely to change its stand in Thursday's talks. "But we have to take note of the fact that North Korea and the United States agreed to additional negotiations even after the second round, which we thought would be the last meeting that Washington would allow, produced no visible results," he said.

The officials also noted that North Korea recently retreated its insistence that nuclear matters could be discussed only in a summit, and allowed that they could be discussed by presidential envoys. When he was in Moscow, Han told South Korean reporters that the outcome of first and second rounds of the talks in New York had led to pessimism, but the agreement for additional sessions was breathing optimism.

It is clear that Pyongyang is intent on keeping a channel of dialogue open with Washington. Kang Sok-chu, vice foreign minister and North Korea's chief representative to the talks, took pains to stress that while the talks were disappointing they were not over.

As a way to keep the channel open, North Korea may give way just enough to make the United States stay at the table by suspending its decision to leave the NPT, the officials predicted. Pyongyang's expected move afterward would be a demand that the United States upgrade the talks to the vice ministerial-level and discuss improvement of bilateral relations. At the same time, Pyongyang may try an exchange of presidential envoys with Seoul to limit the issue to the Seoul-Pyongyang agenda and avoid international attention.

The chief concern is that the June 12 deadline, the date when North Korea's NPT withdrawal goes into effect and the date that is to determine whether the international community eases its grip or go ahead with sanction measures, may come and go Saturday in a puff and become meaningless. Seoul is anxious to remind the international community to hold its grip on North Korea in such circumstances, to remind it that what the U.N. Security Council demanded in its May 11 resolution was not just that Pyongyang remain in the NPT but allow outside inspection.

Minister To Consider DPRK Proposal

SK1006035993 Seoul KBS-1 Radio Network in Korean 0315 GMT 10 Jun 93

[Text] The parliamentary committee for foreign affairs and national reunification held a bull session today with Unification Minister Han Wan-sang to discuss the promotion of the South-North dialogue on the North Korean nuclear issue. At the meeting Minister Han said: North Korea has informed us that it will send tomorrow [11 June] a reply telephone message to our proposal that requested a South-North working-level contact be held at Tongilgak this afternoon. The third U.S.-North Korean contact to be held at 2300 [1400 GMT 10 June] will be a watershed for negotiations on the North Korean nuclear issue.

Minister Han also said: North Korea is using the nuclear issue as a means to guarantee its foremost cause of maintaining its current system. If North Korea proposes South-North talks after ending today's U.S.-North Korean talks without result, I will carefully consider it.

Deputy Premier Discusses Issue

SK1006060393 Seoul YONHAP in English 0539 GMT 10 Jun 93

[Text] Seoul, June 10 (YONHAP)—Deputy Prime Minister Han Wan-sang said Thursday that he didn't expect North Korea to accept South Korea's offer to discuss both the nuclear issue and an exchange of special envoys unless it changed its mind on leaving the Nuclear Nonproliferation Treaty [NPT]. Han, speaking in a meeting with members of the National Assembly Foreign Affairs and National Unification Committee, said he did not rule out Pyongyang's attending a proposed vice minister-level meeting with South Korea if its high-level meeting with the United States in New York on Thursday resulted in agreement.

"It is our position that discussion of the envoy exchange issue is possible only when North Korea shows a positive change in its attitude toward a solution of the nuclear issue, making a reversal of its NPT pullout decision and fulfilling its commitment to the Nuclear Nonproliferation Treaty," said Han, who is also unification minister. Whether the proposed working-level contact to improve inter-Korean relations took place was entirely dependent upon North Korea's stance on the nuclear issue, he told the committee.

North Korea reportedly showed in its talks with the United States in New York that even if it removed the obligation to undergo IAEA [International Atomic Energy Agency] inspections by pulling out of the NPT, the IAEA may be asked to participate in solution of the nuclear issue in the context of the joint South-North statement for the denuclearization of the Korean peninsula, Han said. "This North Korean position runs squarely counter to the joint South Korea-U.S. approach to the nuclear issue, and accordingly the nuclear negotiations face tough going unless North Korea retracts its NPT pullout decision and abides by the nuclear safeguards agreement with the IAEA," he said. Han added that Thursday's U.S.-North Korea meeting would be a watershed in international efforts to solve the nuclear problem.

Seoul 'To Cope' With North Proposal

SK1006034393 Seoul YONHAP in English 0323 GMT 10 Jun 93

[Text] Seoul, June 10 (YONHAP)—South Korea's proposal for an inter-Korean working-level contact to discuss the nuclear issue and special envoy exchanges on Thursday has virtually been rejected by North Korea, which instead said it would reply on Friday. North Korea, in a message on Thursday morning, said that it would reply to the proposal by Friday, but didn't name its representatives to the contact as promised. The South had sent its latest message on Wednesday.

With the action, the exchange of nine proposals and counterproposals that North Korea began on May 20 seem to have ended in nought. South Korean Prime Minister Hwang In-song said in his telephone message Wednesday addressed to his North Korean counterpart, Kang Song-san, that he accepted a working-level contact at Panmunjom on Thursday but insisted that the nuclear issue be on the agenda in addition to an exchange of presidential envoys.

A government official analyzed that Pyongyang seemed to lack a firm position on inter-Korean talks before the third round of high-level talks with the United States in New York on Thursday. "We will cope with the North Korean proposal after analyzing the results of the U.S.-North Korea talks, if North Korea makes another proposal," he said.

Seoul To Seek Sanctions if Talks Fail

SK1006083193 Seoul YONHAP in English 0821 GMT 10 Jun 93

[Text] Seoul, June 10 (YONHAP)—South Korea will seek UN sanctions against North Korea if Washington and Pyongyang fail to reach an agreement in their high-level meeting in New York on Thursday. The government would consult with UN Security Council (UNSC) member nations about whether the second UNSC action on North Korea should be a statement issued in the name of the council chairman or a resolution, and whether it should include sanctions, though this would depend on the outcome of the meeting, Vice Foreign Minister Hong Sun-yong said Thursday in a closed-door meeting with members of the National Assembly Foreign Affairs and National Unification Committee.

Hong predicted that the third round of the high-level talks Thursday would be a watershed in UNSC diplomacy to discuss whether or not to slap sanctions on North Korea. In the first and second rounds of the talks, North Korea said it had decided to withdraw from the Nuclear Nonproliferation Treaty [NPT] as a state of sovereign authority and it would be hard to return, Hong said.

North Korea appeared to be trying to solve the nuclear issue through negotiations with the International Atomic Energy Agency outside of the NPT regime, as Brazil did, he added. Also at the meeting, Deputy Prime Minister Han Wan-sang expressed a pessimistic view on the future of inter-Korean contacts if the U.S.-North Korea talks break up. "It is possible that North Korea will offer to resume inter-Korean contact in a bid to avoid international pressure and sanctions, and the government has to work out measures against such a possibility," said Han, who is also unification minister.

Defense Minister To Meet U.S. Secretary 28-29 Jun

SK1006091893 Seoul YONHAP in English 0833 GMT 10 Jun 93

[Text] Seoul, June 10 (YONHAP)—The South Korean and U.S. defense ministers will meet in Washington on June 28 and 29, the Defense Ministry announced Thursday. Defense Minister Kwon Yong-hae will visit the United States at the invitation of Defense Secretary Les Aspin and meet with leading U.S. administrative and congressional leaders, ministry spokesman Kim Yong-chol said.

Kwon would discuss major security issues pending before the Korea-U.S. security consultative meeting this fall and Korea-U.S. summit in July, he said. "The government felt the minister should visit the United States in order to further cement the security alliance with the establishment of the new governments and to expand understanding of security conditions on the Korean peninsula," Kim said. "At the same time, the visit was prompted by the need to seek closer cooperation between the two sides to counter North Korea on the nuclear issue." Kwon will be accompanied by Lt. Gen. Chang Song, assistant defense minister for policy, and four other officials.

On his way back home, Kwon is to visit Hawaii and meet with Adm. Charles Larson, commander-in-chief of the U.S. Pacific Command. His meeting with Aspin is attracting attention because they will reevaluate the alliance under new governments on both sides and modulate bilateral cooperation in security areas for the next five years. "The biggest task of the meeting is to familiarize defense policymakers of the Clinton administration with the security reality on the peninsula and thus get reconfirmed the U.S. security commitment to Korea," a ministry source said.

Military Delegation To Visit Russia 13-20 Jun

SK0906122493 Seoul YONHAP in English 0543 GMT 9 Jun 93

[Text] Seoul, June 9 (YONHAP)—A South Korean military mission is to visit Russia on June 13-20 to gather information on the military educational system, the Defense Ministry said on Wednesday. The first assistant defense minister, Yi Chung-hyong, will lead the seven-member mission, whose trip is based on a memorandum of understanding on Korea-Russia military exchanges signed last year.

A Russian military mission is to visit Korea on July 1-8. The Korean mission is to visit the Russian Defense Ministry and military educational institutions such as the General Staff College.

Seoul Interested in Russia's Nakhodka Trade Zone

SK1006064893 Seoul YONHAP in English 0245 GMT 10 Jun 93

[Text] Seoul, June 10 (YONHAP)—The Russian Government's decision to invest 20.12 billion rubles (about 20.24 million U.S. dollars) in the free economic zone in Nakhodka is expected to reactivate construction of an industrial complex for South Korean companies there, industry sources said Thursday. The Russian Central Government recently decided to lay out more than 20 billion rubles on the free economic zone in the Russian seaport and increase its funds on seeing the success of the investment.

The money is expected to be used to build a port terminal, expand communications facilities, convert the military airport to a commercial airfield and construct a power station, which Korean companies most need for their advancement. In addition to its financial support, Moscow decided to let Nakhodka issue entry visas for foreign business partners to visit Russia. Many Korean firms are said to be attracted by the privileges and have started to send delegations to the area for feasibility studies.

The Seoul government will build 1 million-pyong (one pyong equals 3.3 square meters) industrial complex in Nakhodka and promote advancement of agriculture and fisheries, lumber processing, textile, electronices, and machinery industries. The Korea Land Development Corp. will spend 46.6 billion won (58.1 million U.S. dollars) to build the complex, and will sell space in it at 60,000 won a pyong.

SRV, CIS Travelers To Receive Visas 'Faster'

SK0906122193 Seoul YONHAP in English 0527 GMT 9 Jun 93

[Text] Seoul, June 9 (YONHAP)—Travelers from Russia and Vietnam will receive South Korean visas faster from next week as prior approval by their justice ministers has been waived, the Foreign Ministry announced Wednesday.

Citizens of the Commonwealth of Independent States and Vietnam will be issued entry visas without having to present approval from the ministers starting on June 14, the ministry said.

PRC Experts To Discuss Nuclear Safety Cooperation

SK1006073093 Seoul YONHAP in English 0637 GMT 10 Jun 93

[Text] Seoul, June 10 (YONHAP)—A team of Chinese nuclear experts will visit Seoul next week to discuss cooperation on nuclear safety, Foreign Ministry officials said Thursday [10 June]. The eight-member team includes Xuan Zengpei, director of international organization with the State Science and Technology Commission, and Shen Wengquen, director of scientific research at the China National Nuclear Corp.

The team will tour nuclear power plants and related facilities from June 13 to June 20 and officials said the two countries will start discussing a cooperation agreement on nuclear power development and safety measures. Officials here have recently begun to address the impact of an accident at one of China's atomic power plants, especially after the news that Beijing will build new ones close enough to place South Korea within the danger area. The officials say they will press Beijing for an agreement on safety cooperation and plan to begin working-level negotiations soon.

PRC Scientists To Help Study Sand Pollution

SK0706060393 Seoul YONHAP in English 0523 GMT 7 Jun 93

[Text] Seoul, June 7 (YONHAP)—South Korean and Chinese scientists agreed in a meeting in Beijing last month to join hands in solving environmental problems such as the clouds of yellow sand that blow from China to Korea, one of the Korean participants said on his return Monday. The scientists, meeting May 24-30 in Beijing, decided to build Korea-China atmospheric science research centers in both countries to jointly study the generation, movement and sedimentation of the yellow sand, to observe acid rain and its effects, and to do other research, Chong Yong-sung, a professor at National Teacher's University, said.

Chong said that he and his three companions had agreed with their Chinese counterparts to tackle the problems of yellow sand, acid rain and air pollution in Northeast Asia. They expected the research centers to help arrange exchanges of scientists, workshops, and exchanges of publications and materials on the environment, Chong said.

The scientists inaugurated research teams by field for in-depth cooperation in joint studies. A team of four scientists from the two nations will study the yellow sand phenomenon and its impact on the environment.

Teams will make a comprehensive study of acid rain and will work on rainfall and low pressure. They will exchange information on rain forecasts, preservation of water resources, and industrial actitivites to beef up environmental cooperation. They had agreed that they needed more active support from the governments of their countries for more development in bilateral scientific relations, Chong said.

Economic Delegation To Visit Africa 8-26 Jun

SK0606060093 Seoul YONHAP in English 0523 GMT 6 Jun 93

[Text] Seoul, June 6 (YONHAP)—South Korean Government is to send an economic delegation to Ethiopia, Tanzania, South Africa and Madagascar in June 8-26, the Foreign Ministry said on Sunday. Kim Pong-kyu, chief of Africa-Middle East department of the Institute of Foreign Affairs and National Security will lead the delegation. The delegation will discuss ways of expanding economic cooperation and South Korean industries' investment in the African countries.

Foreign Minister Meets Polish President

SK0906123093 Seoul YONHAP in English 1018 GMT 9 Jun 93

[Text] Warsaw, June 9 (YONHAP)—Foreign Minister Han Sung-chu, now on an official visit here, met Polish President Lech Walesa at the presidential palace on Wednesday afternoon. Minister Han conveyed President Kim Yong-sam's personal message to President Walesa and exchanged opinions on matters of mutual concern. In the message, President Kim invited Walesa to visit Korea some time this year.

President Walesa expressed the hope that bilateral relations between Korea and Poland would be further developed with the birth of the new government in Korea. Thanking President Kim for inviting him to Seoul, Walesa said the time of his visit to Seoul could be discussed through diplomatic channels.

Later in the day, Minister Han conferred with Polish Foreign Minister Krzysztof Skubiszewski at his office. They agreed to further promote cooperative relations between their countries.

Minister Skubiszewski asked Minister Han to see to it that Korean industries expand their investment in Poland and that Korea extend an EDCF (Economic Development Cooperation Fund) fund to his country.

Han said his government would review it once Poland furnished a detailed plan on use of such a fund. At the end of the meeting, the two ministers signed a bilateral Korea-Poland cultural agreement.

HANGUK ILBO Interviews Kim on State Affairs

SK1006081493 Seoul HANGUK ILBO in Korean 9 Jun 93 p 3-4

[Interview with President Kim Yong-sam by unidentified HANGUK ILBO correspondent in the presidential office at Chongwadae on 7 June]

[Excerpts] [HANGUK ILBO] People say that the ruling Democratic Liberal Party [DLP] is not capable of following your will for reform. Some people even note that the DLP just became an obstacle to fulfilling reforms.

[Kim Yong-sam] It is probably because media have intensively reported the civilian government's reforms, too much focusing on the president's will and activities. The DLP is, however, the ruling party that produced the civilian government. It is the party in charge of our time, and its duty is to actively contribute to creating a new ROK by playing a leading role in changes and reforms. [passage omitted]

[HANGUP ILBO] It has also been noted that the new government have been pushing ahead reforms without an elaborate plan. Did you plan all the reforms being currently fulfilled before your presidential inauguration, or are you fulfilling reforms in accordance with each prevailing situation?

[Kim] It would not be possible for us to have fulfilled this much reforms without a prepared reforming program. During the last election campaign, I devised a series of reforms to fulfill after my presidential inauguration, if possible, and I have led those planned reforms since I was inaugurated. [passage omitted]

I am just surprised at the number of people who have been revealed to be involved in irregularities and corruption through investigations, because the scale is growing far more than I expected.

It is wrong, however, that the reforms including the attempt to root out irregularities and corruption are improvisatory and go beyond laws. [passage omitted]

[HANGUK ILBO] Is it true that lawmaker Choe Hyong-u is going to visit to China as a presidential envoy?

(Kim smiles with no answer.) [passage omitted]

[HANGUK ILBO] Since U.S.-North Korean high-level contacts brought no visible result, the possibility that the United Nations will put sanctions against North Korea has increased. What is our measure to cope with the North Korean will for nuclear development?

[Kim] I am disappointed at the previous, fruitless U.S.-North Korean high-level contacts. We will actively support the international society like the UN Security Council in resolving the North Korean nuclear issue, while continuously making efforts to resolve it directly with North Korea. I hope North Korea will make a wise decision to settle the issue in a peaceful way. If North Korea withdraws from the Nuclear Nonproliferation Treaty and continues to develop nuclear weapons, it will be denounced by the international society and will suffer disadvantages commensurate with its action. I hope the North Korean leadership are fully awakened to this point.

[HANGUK ILBO] Do you think it is possible to hold a South-North summit before the end of your term of office? Are you sure that the South-North alliance will be achieved before the end of the term?

[Kim] When the suspicion over North Korea's nuclear development is removed, South-North relations will enter the stage of implementing various agreements between the two sides. I believe that once mutual trust is built in the course of systemizing reconciliation and cooperation between South and North Korea, a meaningful South-North summit can be held before the end of my term of office. South-North relations will also develop into South-North alliance at that time. North Korea has recently proposed an exchange of envoys for South-North summit. I think, however, the North Korean nuclear issue should be resolved first. [passage omitted]

[HANGUK ILBO] If you are to make your option between keeping your promise not to open rice markets and participating in the Uruguay Round [UR] negotiations, which would be your choice?

[Kim] In my opinion, each country's own features must be reflected to a certain degree in order to successfully conclude the UR negotiations. As far as I know, not only the ROK but many other countries reserve their positions toward the overall opening of agricultural markets. I will make efforts for our position against the rice market opening to be reflected while actively participating in the UR negotiations. [passage omitted]

[HANGUK ILBO] Do you plan to visit a foreign country this year?

[Kim] No. Currently I have no concrete plan to visit foreign countries. Instead, many foreign leaders want to visit the ROK, an object of envy to them, thus giving the Ministry of Foreign Affairs difficulty in controlling their visits. [passage omitted]

Foreign Ministry To Make 1948-62 Documents Public

SK0806015193 Seoul YONHAP in English 0058 GMT 8 Jun 93

[Text] Seoul, June 8 (YONHAP)—Classified documents dating back to establishment of the South Korean Government, the Korean War and the hidden stories behind South Korea-Japan diplomatic normalization will be made public from August, Foreign Ministry officials said Tuesday. The documents chiefly cover the period from Aug. 15, 1948, when the South Korean Government was founded, to the end of 1962, when military strongman Gen. Pak Chong-hui seized power in a coup.

They are said to include diplomatic communications exchanged between South Korea and the United States during the May 16 incident that led to Pak's rise to power and also parts to the South Korea-Japan diplomatic normalization. The materials will be open to public view from August after a review board selects out those that still need to remain confidential for the national interest and protection of personal privacy. The documents will go on display at the Foreign Ministry's Institute of Foreign Affairs and National Security (IFANS).

Government, DLP Discuss Economic Policy

SK0806032993 Seoul YONHAP in English 0209 GMT 8 Jun 93

[Text] Seoul, June 8 (YONHAP)—The government and the ruling Democratic Liberal Party [DLP] held the second round of policy coordinating talks Tuesday on the five-year-economic plan, measures for maintaining law and order and legislation for President Kim Yong-sam's anti-corruption campaign. The meeting was attended by Prime Minister Hwang In-song, Executive Chairman of the DLP Kim Chong-pil, and other top government and party officials.

The deputy prime minister and head of the National Unification Board, Han Wan-sang, gave a progress report on the government's efforts to promote South-North dialogue. Han said that the exchange of special emissaries between the South and North proposed by Pyongyang could be possible only when North Korea showed a modicum of positive change for the resolution of its nuclear issue, such as rescission of its decision to withdraw from the Nuclear Nonproliferation Treaty and acceptance of inspections by the International Atomic Energy Agency.

The planned third round of the U.S.-North Korean high-level talks on Thursday would be a turning point for the North Korean nuclear issue, Han said. Prospects for resolution of the nuclear problem were not bright, Han added, because Pyongyang was using the nuclear issue as a negotiating chip for the maintenance of the Stalinist system headed by Kim Il-song and his son and heir, Kim Chong-il.

Yi Kyong-sik, Deputy Prime Minister and head of the Economic Planning Board, said that the government planned to maintain price increases at 4 percent to 5 percent by controlling the supply and demand of commodities, especially farm products, this fall. Specifically, the government would try to keep increases in the prices of 20 basic commodities for the livelihood of citizens at the 1-percent level, Yi said. Yi also said the government would liberalize interest rates for all loans except for policy funds during the second half of this year.

Home Affairs Minister Yi Hae-ku said that the government would allow any organization to hold talks with North Korea on unification problems if they had taken the legal steps to do so. He said it would also permit legitimate demonstrations. But the government would deal sternly with anyone who ignored the necessary legal steps in trying to contact or undertake communications with North Korea, Yi said.

Violators of the law, especially the National Security Law, would be tracked down and punished severely, Yi said. Law-enforcement officers would crack down on gangsters and on extortionists as the vacation season was approaching and the government would try to help realize a healthy and pleasant "leisure culture," Yi added.

Prosecutor: Former Posco Head Received Bribes

SK0906123193 Seoul YONHAP in English 1149 GMT 9 Jun 93

[Text] Seoul, June 9 (YONHAP)—The prosecutor general's office, investigating the case of former Pohang ironworks honorary chairman Pak Tae-chun, has confirmed that Pak received at least 2,690 million won in bribes from Posco's subsidiary firms and suppliers. In addition, Pak embezzled 73 million won in Posco funds on four occasions from May 1989 through September 1990 for use in investing in stocks.

The National Tax Administration earlier sued Pak at the prosecution on suspicion of embezzling or receiving as bribes a total of 5,610 million won. A prosecution source said on Wednesday it has been confirmed that 12 subsidiary and supplier firms had given Pak cash bribes in amounts ranging from 5 million won to 1.3 billion won. The 12 companies included the Chosun Fire Brick Industrial Co. and Samjong Steel Industrial Co., said the source, adding that the prosecution were continuing the investigation of Pak's case.

Businessmen, Financiers Support Economic Policy

SK1006080693 Seoul YONHAP in English 0654 GMT 10 Jun 93

[Text] Seoul, June 10 (YONHAP)—Professors of economics, businessmen and financiers overwhelmingly support the government's economic policy, according to a survey Thursday. Pollster Media Research Co. asked 200 economics professors, executives and financiers about the government's economic plan from May 26 to 31 at the request of the Information Ministry. The margin of error is plus or minus 6.9 percent.

While 92 percent overall applauded the government policy, 98 percent of the executives of small- and medium-sized companies gave it a thumbs up. A total of 81 percent said the economy was certain to pull out of the slump in April-June; and 76 percent said the government's economic package would improve the country's economic condition, 12.5 percent said it would contribute to economic revitalization and 11 percent predicted adverse effects, including price instability.

Economists and businessmen most hoped to see priority be given to systematic reforms for an economic recovery (33.5 percent), followed by reforms in consciousness for a will to save the economy (31 percent), industrial strategic policy to beef up growth potential (19 percent), a stronger standing on international markets (10 percent) and improvements in living conditions such as resolution of the housing shortage (6.5 percent). They preferred free trade (65 percent) over active government involvement (34 percent).

Government measures to foster small- and medium-sized companies won most approval (25 percent), followed by less red tape (13 percent), consciousness reform (12.5 percent) and economic stimuli (8.2 percent), while policy was thought to be short-sighted and aiming at immediate results (6 percent) and speedy liberalization of interest rates gained just 1-percent support. A major 91 percent agreed with the government's call for pain-sharing and 82.5 percent said they were taking part in the campaign with participation rates of 92 percent from executives in the finance industry and 86 percent in big business.

In contrast, 16 percent of the professors disagreed with the campaign and 24 percent of them said they weren't taking part. As prerequisites for the economic policy's success, 50.5 percent of the pollees said political reform through a crackdown on corruption, followed by understanding and help from the people (18.5 percent), relaxed regulations on economic administration (9.5 percent), change of thinking by businessmen (8 percent), and consciousness reform of public servants (5.5 percent).

While 72 percent agreed with the government's projection of 5 percent to 6 percent economic growth this year, 5.5 percent predicted it would be higher. For better living conditions, 58.5 percent suggested price stability and improvement in the marketing structure, followed by resolution of traffic problems in large cities (17.5 percent), measures on air pollution (12 percent), more social welfare (6.5 percent).

Burma

U Aung Toe Addresses National Convention

BK1006072193 Rangoon Radio Burma in Burmese 0630 GMT 7 Jun 93

[Address by U Aung Toe, chairman of the National Convention Convening Work Committee and chief justice, on 7 June at the National Convention at the President's House compound, Rangoon—recorded]

[Excerpts] Mr. Chairman and National Convention delegates: I would first like to extend mingala [auspicious] greetings to the National Convention delegates. [passage omitted]

Mr. Chairman, speaking at the opening of the National Convention on 9 January, Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission [NCCC], explained how delicate and important is the task for drafting the state constitution and the basic principles of the state. [passage omitted]

That opening speech and today's speech by NCCC Chairman Lt. Gen. Myo Nyunt are important and fundamental in laying down the basic principles for drafting the state constitution. The basic principles to be contained in the state constitution are principles which are to be observed on the long-term by the state and citizens and which are to serve the interests of the state and the citizens. Therefore, these principles are very important.

It is hoped that the convention delegates have already thought out the principles by which to establish the fundamental principles of the state in the interests of the state and its citizens. Our work committee would like to present some of our observations in order to make their discussions at the convention more complete.

Mr. Chairman, in drafting the fundamental principles of the state, the concrete conditions of Myanmar [Burma]; the historical background; the prevailing political, economic, social and cultural conditions in the country as well as the customs and traditions; the demographic distribution of indigenous national people; and natural resources should be taken into consideration so that a firm constitution, enabling more peace and prosperity and political stability to come to the country, can emerge.

Discussions on the matter of laying down basic principles for drafting the state constitution should be based on the six objectives [for National Convention] contained in Order No. 13/92 of the State Law and Order Restoration Council as these six objectives serve the most basic interests of Myanmar. As the delegates know, these six objectives are: nondisintegration of the union; nondisintegration of national solidarity; perpetuity of national sovereignty; emergence of a genuine multiparty democracy system; promotion of Lawkapala [eternal] principles of justice, freedom, and equality in the nation; and a leading role for the Defense Services in the national politics of the future state.

The point underlying the first objective is that since time memorial, Myanmar has been a united country, where indigenous people have lived and intermingled in the areas of their choice. In some areas, a group of national races may be in the majority. In addition, there are similarities and differences in customs and traditions of the indigenous national people.

The State Constitution of 1947 provides for four states and nine divisions, including Special Chin Division. The State Constitution of 1974 provides for seven states and seven divisions of equal status. As the way of thinking of the indigenous national people changes, the basic principles to be laid down for the state constitution should accommodate these changes. Therefore, the time has come to seriously consider provisions for the existing 14 states and divisions to become major regions with equal status and to prescribe self-administered areas [preceding two words in English] within these regions where necessary.

In deliberating on the provisions, we should consider whether to rename the 14 regions using the traditional and historic names, such as Kambawza, Ghandarawadi, Danyawadi, Ramanya, Okka, Dagon, and Yadanabon, as suggested by the commission chairman in his speeches in order to further promote national solidarity.

The indigenous people have lived in unity and amity through weal and woe since time immemorial and out of it emerged the country of Myanmar, on which all the national people depend. Only as this country—on which all the national people depend—continues to exist, can the interests of the national people be served. Therefore, it will be necessary to lay down the basic principles which will enable all the national people to strive in unity for the perpetuity of the Union.

In laying down these principles, the most basic principle is the undertaking that none of the territories of Myanmar will ever secede from the union.

Mr. Chairman, I would like to give some explanation of the second objective: that of the nondisintegration of national solidarity. In order to prevent disintegration of national solidarity, it is necessary for all our brethen—national people—to be equal before the law and enjoy justice, freedom, and equality in their respective regions.

In doing so, we should strive to ensure that the three powers of the state—legislative, administrative, and judicial—are shared between the central and regional organs of power. If these basic principles cannot be laid down and practised, national solidarity can be affected. If national solidarity is affected, a narrow racial outlook, abuse of political power, and priority given to the interests of a party or a group will again dominate, as has been shown in the experiences of the past. Under these circumstances, national solidarity will be ruined and the country will face disintegration.

If the basic principles suggested are laid down and applied, the desire of the national people for self-determination will be fulfilled and national solidarity can be further promoted. [passage omitted]

Mr. Chairman, I would like to clarify the third objective: that of the perpetuity of national sovereignty. Perpetuation of national sovereignty depends on many factors, as shown by the experience of our country as well as that of other countries. National sovereignty is lost not only by loss of independence, but also when a country can no longer freely conduct its political, economic, military, social, foreign, and cultural affairs, and keep its customs and traditions. A country loses its national sovereignty when it can no longer stand on its own and has to depend on others.

A country loses its national sovereignty also when its has to chose its political system according to a prescription from abroad. Therefore, it is necessary to hold extensive discussions on the perpetuity of national sovereignty and to lay down the basic principles.

Mr. Chairman: I would like to elaborate on the fourth objective, that of the emergence of a genuine multiparty democratic system. It will be necessary to lay down the basic principles in order to systematically form political parties for a genuine multiparty democratic system.

While it will be necessary to form political parties systematically, the three branches of sovereign power belonging to the people—the legislature, executive, and judiciary—will have to be prescribed and exercised. It will be necessary to draw up procedures to ensure that these three organs of state power exercise their authority separately.

The experience of ours and other countries has shown that if only one organ of state power wield these three powers, the people will not be able to enjoy their full democratic rights. For instance, if the legislature exercises executive or judicial power or both, or interferes or influences the execution of executive and judicial powers, this can lead to partiality against the interests of the individual or an organization, and the abuse of power. Under these circumstances, a one-party dictatorship can emerge. To prevent this, it is essential to limit the authority of these branches of sovereign power, i.e. legislative, executive, and judicial powers. With these limitations, there will be checks and balances against the authority of the three state organs.

It will be necessary to consider whether there should be two legislative assemblies at two different levels—one at the central level and legislative assemblies at state and divisional level representing 14 major regions equally. It will also be necessary to consider whether each of the 14 major regions should have their own legislative assembly. The participation of the representatives of the Defense Services, whose names will be presented by the commander in chief of the Defense Services, in these legislative assemblies will enable the implementation of the Defense Services' leading role in national politics in the future. Therefore, the basic principles on this matter need to be laid down.

Mr. Chairman: I would like to explain about the exercise of executive power. There are two administrative systems in the world—one led by a prime minister and another led by a president. [passage omitted] In our country's experience, we once had a prime minister-led administrative system. Under this system the prime minister was unable to prevent threats against the country's sovereignty, national unity and the Union, which were on the brink of disintegration. To avoid these weaknesses, we should consider whether we should have an electoral body for a president and a presidential-styled administrative system.

The president, who is elected, will not face a vote of no-confidence from the legislature like a prime minister. The president will be able to independently and earnestly carry out his responsibilities in the interests of the nation and its citizens. Therefore, we should seriously consider whether to switch to the presidential administrative system, which will be able to effectively serve the interests of the nation and its citizens.

To work for national development to the fullest of one's ability under the presidential administrative system, the president should be well versed and skilled in political, adminstrative, economic, and military affairs and should be able to work effectively and resolutely. Furthermore, the president should be an indigenous citizen who is loyal to the nation and its citizens.

Only when the nation is administered by such a well-qualified president will we be able to effectively work for the three major causes—the nondisintegration of the Union, nondisintegration of national unity, and the perpetuation of national sovereignty and national development.

In practising this system, executive powers will be shared with regional bodies such as major regions and autonomous areas in the conduct of adminstrative and social affairs, the collection of taxes and revenue, and in commerce. Basic principles on power-sharing according to Myanmar's experience should be laid down. If this is done, it will contribute to the fourth objective, that of the emergence of a genuine multiparty democratic system.

Mr. Chairman: I would now like to explain about the promotion of the Lawkapala principles of justice, freedom, and equality—the fifth objective. [passage omitted]

Mr. Chairman: I would now like to explain the sixth objective—the participation of the Defense Services in the leading role in the national politics of the future state. The Defense Services is a national force which has defended to the utmost of its ability the three major causes and the interests of the people. It is capable of helping establish the multiparty democratic system desired by the people.

It has been found that for the Defense Services to participate in the leading role in national politics and serve the nation's interests, it will be necessary for it to play a deserving role in legislative and administrative affairs, in addition to its original duty of defense and security. Therefore, it would be essential to lay down fundamental principles which will enable the Defense Services to participate and assist in a deserving role in legislative and administrative matters.

After the reorganisation of the Defense Services of Myanmar in 1946-47, the Defense Services had bitter experiences with party politics and the extension of political power over the Defense Services. The Defense Services almost disintegrated then, when disintegration could have brought about the disintegration of the nation and national sovereignty was threatened.

Therefore, learning from history, I would like to suggest that a fundamental principle be laid down—that the Defense Services commander in chief be the supreme commander of all armed organizations. This is to prevent political controls from becoming pervasively influential over armed organizations, including the Defense Services.

It will be necessary to build up a strong and modern Defense Services in order to strengthen national security. The Defense Services should have the right to manage public participation in such an endeavor. Furthermore, it should have the right to independently and freely conduct its own affairs concerning the military, their deployment, national sovereignty, the administration, military courts, the organization, appointment, training, armament, and military accounts and others. Therefore, fundamental principles concerning the Defense Services should be laid down. [passage omitted]

A fundamental principle should be laid down for the Defense Services commander in chief to exercise state power in accordance with the constitutional provisions in times of national emergency, i.e. attempts to obtain state power through an unrest and insurgency or a situation where the three major causes are under threat.

Mr. Chairman: I have thus explained the six objectives that should be considered in the laying down of principles for the state constitution. [passage omitted]

Delegations Return From Border Meetings in PRC

BK0506143293 Rangoon Radio Burma in Burmese 1330 GMT 4 Jun 93

[Text] Three-member Myanmar [Burmese] delegation led by U Tin Myint, acting director general of the Survey Department of the Ministry of Forests, and a five-member Myanmar delegation led by U Mya Maung, director of the Survey Department, which attended the first meeting of the leaders of joint committee held from 27 May to 3 June in Kunming, PRC for second session of the Myanmar-Chinese joint boundary inspection and the first meeting of survey and mapping experts, returned to Yangon [Rangoon] by air this afternoon.

The delegations from the PRC were headed by Mr. (Shu Win Yin), envoy of the Ministry of Foreign Affairs, and Mr. (Tha Mo Nyan), head of the Subdepartment for Survey. The delegations of both countries signed the minutes on agreements reached at the meetings on 30 May.

46 Detainees Freed From Insein, Myaungmya Jails

BK0906140693 Rangoon Radio Burma in Burmese 1330 GMT 9 Jun 93

[Text] It has been learned that 46 male detainees, against whom action was taken under existing laws and who were serving their sentences, have been released from Insein Central Jail and Myaungmya Jail today after their remaining sentences were commuted in accordance with Declaration No. 11/92 of the State Law and Order Restoration Council [SLORC].

Brunei, Malaysia & Singapore

Malaysia

Minister: U.S. Consent on EAEC Not Needed

BK0906150993 Kuala Lumpur NEW STRAITS TIMES in English 8 Jun 93 p 6

[Text] Kuala Lumpur, Mon—International Trade and Industry Minister Datuk Sri Rafidah Aziz said no country, including the United States, could oppose the formation of the East Asia Economic Caucus (EAEC) if countries in the region agreed to it. She said Malaysia did not need the consent of the US to form the EAEC which was a forum for the East Asia countries to strengthen the free trade system and protect their interests. She said, however, if the US opposed the idea it would create a problem to get other East Asia countries to accept the EAEC.

Rafidah was replying to a supplementary question by Senator Mohamed Nazri Abdul Aziz who asked why there was a need to hold campaigns to convince the US to support the EAEC proposal. To another supplementary question by Senator Fu An Kiow, Rafidah said Japan was expected to make its decision on the EAEC after Asean had finalised it. The European Community was not against the idea. She said no time frame had been fixed for the establishment of the EAEC.

To the original question by Senator Zainal Mohamed Deros she said the US Administration under President Bill Clinton was more supportive of the EAEC concept compared with that under former President George Bush. She pointed out that the Clinton Administration recently said it was up to Asean and East Asia countries to discuss the formation of the EAEC.

This change in attitude by the US would allow Asean countries which had been discussing the approach and modality of the EAEC to concentrate their attention on its implementation, she said. "EAEC will focus its effort on the liberalisation of the economy and trade in East Asia to enhance economic ties of nations in the region through an open market."

To another question by Senator Ghazali Embong, she said the General Agreement on Tariffs and Trade (GATT) 1992 report stated that the Malaysian economy had recorded an impressive performance. Malaysia's export of RM [Malaysia ringgit] 103.48 billion last year, which was a 9.5 per cent increase over the previous year, made it the 23rd biggest exporter in the world in 1992.

Minister Defends Tariffs, Says U.S. Protectionist

BK0906150693 Kuala Lumpur NEW STRAITS TIMES in English 8 Jun 93 p 8

[By Sabri Said]

[Text] Malaysia has one of the lowest tariffs and very few non-tariff measures compared with other developing countries. Minister of International Trade and Industry Datuk Sri Rafidah Aziz said yesterday that according to the General Agreement on Tariffs and Trade (GATT), Malaysia's average tariff rate on a trade-weighted basis was only 8.9 per cent.

She, at the same time, refuted an allegation that Malaysia, among other developing countries, had placed significant trade barriers that restricted access for goods and services from the United States. The allegation was made in the US Report of the National Trade Estimates for 1993.

"This allegation is not true," she said at a lunch to mark the name-change of the American Business Council to American Malaysian Chamber of Commerce at the Kuala Lumpur Hilton yesterday. Rafidah said the Government had also been reducing tariffs for a wide range of products through the annual budget. "At the same time, in the Uruguay Round market access negotiations, significant offers had also been announced," she said.

She said Malaysia had been constructive in the negotiations, including in the services sector, even though the country would have little to benefit from as it still had a relatively less developed services sector. The openness of the services sector was reflected in the huge deficit in Malaysia's services account which amounted to US$4.44 billion in 1992, she added.

Rafidah also criticised America for increasingly resorting to unilateralism and protectionism of late. Resorting to bilateral actions, she said, might bear results in the initial stages but in the longer term could lead to retaliation and trade wars.

Rafidah said bilateral trade between Malaysia and the US had increased to RM [Ringgit Malaysia] 35.36 billion in 1992 from RM31.44 billion in 1991 despite the slowdown in world trade. Of this, Malaysia's exports to the US amounted to RM19.27 billion, making the country Malaysia's third largest trading partner. While the US would continue to be an important market for Malaysia's exports, Rafidah pointed out that Malaysia's share of the US market was only about 1.5 per cent.

Minister Wants PRC Involved in Regional Dialogue

BK1006092093 Kuala Lumpur Voice of Malaysia in English 0800 GMT 10 Jun 93

[Text] Asian states must ensure that Beijing is engaged in dialogue at all levels and no single country must be allowed to drive a wedge between them and the socialist bloc. Defense Minister Datuk Sri Najib Tun Razak said being a major player in the Asia-Pacific region, China must not be isolated from the main regional political stream. Instead, it should be encouraged to participate in continued dialogue to ensure peace. Beijing must not be allowed to become an outcast like the former Soviet Union due to intense rivalry among other major players in the region.

The defense minister said this at a dinner held in conjunction with the two-day Asia-Pacific dialogue for cooperation, peace, and security in Kuala Lumpur. He also pointed out that the South China Sea, in spite of [being] what other states might refer to as a potential flashpoint, must be looked upon as an area for cooperation and not confrontation.

Minister Discusses Mission of Troops in Somalia

BK1006092693 Kuala Lumpur Voice of Malaysia in English 0800 GMT 10 Jun 93

[Text] The Malaysian troops under the United Nations Operation in Somalia, Unosom II, are expected to have a difficult start as they have to face 17 warring factions. Defense Minister Datuk Sri Najib Tun Razak said the 870 officers and men of the 19th Batallion of the Royal Malay Regiment would be equipped with appropriate weapons and (?goods) to enable them to perform the duties effectively. He said the Malaysian troops had been given the mandate by the UN to retaliate if attacked by any of the warring factions. He said this to reporters when visiting the batallion at Sungai Petani, Kedah. The Malaysian batallion might be based in the central or southern regions of Somalia.

Singapore

Military Exercises Planned With Philippines

BK0806152493 Singapore Singapore Broadcasting Corporation in English 1400 GMT 8 Jun 93

[Text] The Philippine Army and the Singapore Armed Forces [SAF] will hold joint military exercises in the Philippines next week. A Philippine Army spokesman said a memorandum of understanding was signed earlier this week to hold the two-week military exercises north of Manila. He said more than 300 SAF troops will be taking part.

Trade Office Releases Apr Export, Import Figures

BK0106151693 Singapore THE STRAITS TIMES in English 1 Jun 93 p 40

[Text] Strong growth in Singapore's nonoil domestic exports, oil and reexports pushed the value of the repubic's total trade in April to a hefty [Singapore dollar] $21.9 billion, up 27 percent on a year-on-year basis. On a three-month moving average basis, the volume of total trade grew by 23.4 percent while the value was up 24 percent.

In volume terms, non-oil domestic exports went up by an average of 31.2 percent for the three months beginning February. The increase was in areas like integrated circuits, disk drives, printers, microcomputers, computer parts and peripherals. The report added that the export of an oil rig production platform in April had also boosted growth.

Reexports also saw robust growth with volume jumping by 24.7 percent. Products in this category included integrated circuits, disk drives, desktop microcomputers and brandy. Oil exports, which had seen dismal growth in the past two months, rebounded slightly with a 9.7-percent rise on a three-month moving average basis. This was due largely to a 29-percent growth recorded in April compared with a 2.9-percent growth in March and a minus 0.2-percent growth in February.

The figures released by the Trade Development Board yesterday also showed that Singapore had made further improvements in its non-oil domestic exports to all four major markets of the United States, Malaysia, Japan, and the European Community (EC). Imports, which rose by 22.3 percent in volume terms, comprised largely of parts and components like integrated circuits, computer parts and peripherals and parts for videos.

Among the top four export markets, Singapore's non-oil domestic exports to Japan jumped most markedly by 58 percent. Exports included desktop microcomputers and VCR parts.

For the United States, growth was 23 percent with items such as integrated circuits, disk drives, and printers accounting for a major share of the increase. Rise in demand for items like electronic components, CTV picture tubes and electronic components also saw Singapore's non-oil domestic exports to Malaysia rising by 46 percent.

For the EC, the growth recorded was 45 percent with goods comprising printers, computer parts and peripherals, and radios leading the way. In the latest April issue of FOCUS, the General Agreement on Tariffs and Trade newsletter, Singapore was cited as the world's 16th largest exporter last year with exports valued at U.S.$64 billion. It was also the world's 15th largest importer with imports worth U.S. $72 billion.

Cambodia

UN Endorses FUNCINPEC Win; CPP Rejects Results

BK1006043893 Hong Kong AFP in English 0359 GMT 10 Jun 93

[Text] PHNOM PENH, June 10 (AFP)—The United Nations certified Thursday that the royalist opposition FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] party won last month's Cambodian elections by a 7.25 percentage point margin, and that the poll was "free and fair." FUNCINPEC won 45.47 percent of the vote, compared to 38.22 garnered by the government's Cambodian People's Party (CPP), U.N. Transitional Authority in Cambodia (UNTAC) chief Yasushi Akashi announced during a meeting of the Supreme National Council (SNC).

But the Phnom Penh government announced immediately that it did not recognize the result, and that the creation of the new government depends on the resolution of what it called "massive electoral irregularities."

Akashi had already dismissed the government's claim of irregularities Wednesday [9 June].

"I am now prepared to announnce on behalf of the secretary general that the latest stage of the election process has been performed in a free and fair manner," he said Thursday. "The result I have just announced fairly and accurately reflects the will of the Cambodian people and must be respected."

Hun Sen Rejects Poll Results at SNC Meeting

BK1006074593 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 10 Jun 93

[Address by Hun Sen, vice chairman of the Cambodian People's Party, chairman of the State of Cambodia Council of Ministers, and member of Cambodia's Supreme National Council, at 10 June meeting of the Supreme National Council in Phnom Penh—recorded]

[Text] Respected Samdech [Prince Sihanouk], His Excellency Mr. Yasushi Akashi, Your Highness, excellencies, ladies, and gentlemen:

I have the distressing duty to announce that today the Cambodian People's Party [CPP] maintains its opinion that the result of the elections should be temporarily suspended. So long as the many controversial problems concerning the enormous irregularities in the elections are not settled, the CPP cannot accept this result. However, at the same time, in the spirit of unification and reconciliation and based on our respect for and worship in the person of His Royal Highness Prince Norodom Sihanouk and his wishes to start work on the new constitution, the CPP will not obstruct either the setting up of the Constituent Assembly or the start of work on the new constitution.

I would like to make an explanation as to why these activities are not contradictory. When we signed the Paris peace agreement two years ago, the State of Cambodia [SOC] and the CPP made the decision to follow the line of democratization. In supporting this process we always keep in mind the fact that peace is a goal at least as important as democracy. We have always been of the opinion that democracy can take root and blossom only when public order is ensured. We are not prepared to sacrifice the stability of the country and the security of the people. It is for the reason and aim of achieving peace, national reconciliation, and democracy that we have followed this line. We are proud of all the decisions that we have made. We have done everything within our capacity to promote peace, national reconciliation, and democracy in Cambodia. We were ready even to accept our loss in a free and fair election. However, we were not ready to accept an election riddled with enormous irregularities, especially when these irregularities seem to be aimed against the CPP.

So far, we have already issued two memoranda concerning the many irregularities in the elections. These two memos listed considerable problems concerning the way the elections were organized. More than 1,000 ballot boxes were opened or broken and many other boxes had their seal numbers changed in the night. And we can understand why there is a marked disparity between the number of the counted ballots and the number of the cast ballots. There were reports on the losses of ballot papers and so on. Some of these problems were recorded in UNTAC documents and we have even received answers as evidence from UNTAC electoral personnel concerning irregularities and infractions at polling stations.

[Words indistinct] the total deficiency in securing safety for the ballot boxes we have also recorded cases that UNTAC had changed a key [words indistinct] of the elections without consulting the Supreme National Council of Cambodia [SNC]. Permitting party agents to put padlocks on the ballot boxes surely has made an important contribution to the safeguarding of the ballot boxes. However, UNTAC has changed that law of its own will, thus weakening the electoral process. Subsequent agreements on the rights of party agents in escorting UNTAC truck convoys transporting the ballot boxes and the right to inspect the safe havens were also violated by UNTAC. Furthermore, the [words indistinct] for the safety of the ballot boxes was also blocked by UNTAC. Almost everyday during the elections the CPP lodged complaints [words indistinct]. We sent protest letters relating to many unacceptable cases. Later on, UNTAC officials had told journalists that the CPP only protested when the vote counting showed that we are trailing in the count. This is not true.

It is regrettable that only a small number of problems in this election were straightened out in time. For example, the UNTAC headquarters waited until nearly the last day of the elections before answering our complaints about CPP agents were prevented from executing their right to inspect the safe havens.

It is also noteworthy that UNTAC besides other things went around telling people that the CPP has already supported and recognized that this election was free and fair. This is not true at all. During the 29 May SNC meeting the CPP and SOC announced their satisfaction that the electoral process was free from threats and the use of force as all of that had enabled most of the people to cast their votes with confidence. However the SOC and the CPP [words indistinct] technical aspects of the elections [words indistinct]. Nevertheless, the CPP waited for the result of the elections with the hope that the vote counting would be carried out correctly and in a way that might enable all parties concerned to wholeheartedly accept the result.

Please note [words indistinct] concerning the role of UNTAC. Chapter 8 of the electoral law stipulates the formation of the [word indistinct] of the elections of the Special Representative. [words indistinct] all the accusations on the misbehaviors on public stages and [words indistinct] must note a number of realities as follows:

1. Concerning the legal [word indistinct] this committee will be set up.

2. When there are complaints against the CPP, the Special Representative has acted without informing the [words indistinct]. This is also against the law.

3. After the CPP lodged complaints on a daily basis during the elections, this committee was still not established.

It is in consideration for all these aforementioned cases that the CPP has appealed for the formation of a special board that is impartial and free of all preconceived judgment to inquire into these problems. If UNTAC cannot implement its own law correctly concerning this and other problems, only the creation of an impartial board can determine the characteristic of the irregularities in the elections, especially the very activities of UNTAC itself.

Because of the abovementioned problems, the CPP cannot recognize the result of the elections that UNTAC [words indistinct]. We have to take this position almost against our will and with great regrets because we strongly hoped that there would be a successful election.

Nevertheless, because of our firm resolution to turn Cambodia into a democratic society and in consideration for the wishes of HRH Prince Norodom Sihanouk, we will not obstruct the formation of the Constituent Assembly and although we do not accept the outcome of the elections we will advise our Constituent Assembly members to work along with the members of the other parties in order to start the work on the new constitution. Wherever possible, we will join with the members of other parties [words indistinct] is of great significance that we cannot delay. [words indistinct] must understand that the question concerning the irregularities in the elections must be settled before a new constitution can be adopted, before the Constituent Assembly can become a permanent legislative institution, and before a new government can be formed. As HRH Prince Norodom Sihanouk said on 8 June 1993, the CPP has the right to protest the result of the elections and will continue to lodge our objection because it will be of no use to form a new government and a permanent legislative organ so long as there is no confirmation about who really wins and who gets how many seats. At this stage and in light of the enormity of these irregularities, there is a strong suspicion concerning this matter. For this reason, so long as there is no thorough inquiry on the elections, no new government can be formed.

Now there is a proposal for the creation of an inquiry board to look into this matter. Moreover, the CPP is reconsidering other avenues to settle our complaints. So long as the many important issues concerning the elections are not settled, the present government will carry on its work. It is necessary to keep the present government to maintain stability and, lastly, to ensure a smooth handover to a new government. Nonetheless, the ratification of the constitution and the formation of a new government will depend on the satisfactory settlement of all charges concerning the enormous irregularities in the elections.

Respected Prince, Excellencies, ladies and gentlemen: After my written statement, allow me to raise and clarify a number of issues. I regret that I have to raise these issues before I leave this great planet for my burial in a two square meter plot. I want to say what has to be said. It is something that is unacceptable. This is not our personal business but that of the Cambodian people.

I would like to stress that I have no conflict with any parties; what I have to say concerns us and justice. I am ready to endorse parties that have received regular votes. I would like to specify that I have no conflict with any parties, whether these parties have received any votes or not. I am talking about justice here. Talking about the election is talking about freeness and fairness. There is freedom but there has been no fairness. And we demand that this issue be examined. I do know that [words indistinct] but what I want is for you to maintain dignity [words indistinct].

Where was the starting point of all these thorny problems? [passage indistinct] to respond to our concern, as well as that of other parties, we successively protested to Austin. Afterward, I and Chea Sim sent a message to H.E. Akashi. [passage indistinct]

Now we demand that this committee be set up to conduct an investigation. It has become a historic note in the election in Cambodia. Many journalists have written that the election in 1955 and subsequent elections were not democratic. However, as for our people, we consider them as democratic. Now we have to be very clear about this point; at least this is a note for future generations of Cambodians so that they know about the elections in Cambodia.

Now I would like to raise a number of issues for your information so that your Excellencies can prepare your ideas. Why was it necessary to amend point 12 in Annex 3 without consulting the SNC? Why was there no response to the demand for ballot boxes to be collectively guarded and for some signs to be put on ballot boxes? Why was the promise... [changes thought] ...the agreement on the inspection of the safe havens was not honored? Were there any shortcomings in the issuance of orders, or was there in fact no intention to issue any orders on this? Why were seals on ballot boxes broken? Why was there an excess of ballots and no ballots in some boxes? In Phnom Penh alone, there were nearly 4,000 ballots more than the number of voters. Where did these ballots come from? Many reports in Kandal Province, signed by UNTAC, show that a few boxes had excess ballots in them. During the first count, the number of ballots was correct—600. However, in the end, there were only six. Why? Why were some ballots outside the boxes? We now have seven ballots which were outside the boxes; one in Prey Veng, one in Phnom Penh, and five from Prey Totoeng. In Kompong Speu Province, there were two ballots; UNTAC took them back, but UNTAC had signed a report with the people who handed over the ballots. Why was there an UNTAC stamp (?which we do not have)? Why were ballots from irregular boxes mixed with those from regular boxes? I do not know of any countries that consider irregular ballot boxes as valid. The irregularity of ballot boxes invalidates the result. If you had put aside the irregular ballot boxes for further discussion and counted only ballots from regular boxes, maybe the problem would not have become this big.

All these are questions for your consideration. You should get together and ask your UNTAC Cambodian staff. How many persons voted many times and cast more than one ballot? Now you have recognized that there were some shortcomings. However, there is still a difference in the conclusions because you have drawn a political conclusion, but we want you to draw a legal conclusion. The point is that there were shortcomings which affect the election result. This is a political conclusion.

Therefore, we ask that you draw a conclusion on the legal aspect. If that was the situation, what was the possibility of fraud? Why were there excess ballots? When there are irregularities, even a single ballot has to be accounted for.

Respected Prince, Excellencies, ladies and gentlemen, I very much regret that I have to talk about this. It does not matter if we now have 50 seats. After examination, if it is found that, due to fraud, the CPP will have another 10 seats taken away, I would still be happy. Even if the

CPP has no seats at all, it is alright as long as it is proper because I cannot sit comfortably in an irregular seat.

But let me stress this: Although we still have not recognized the result, we will not hinder the process of the constituent assembly. Out of respect for the prince's desire and the desire for peace, we will attend the assembly meeting. However, if you do not investigate the result, do not expect us to take part in adopting the constitution. And if we do not adopt the constitution, everything else will remain the same. What we want is justice. On this issue, I stress that this committee should be set up. Persons involved in the current election in Cambodia should not be selected; different people, neutral ones, should be appointed.

I suggest that this committee seeks justice and does not mix shortcomings with the political statement on the election result. I hope that the Cambodian people will assist you in finding justice, if you need them.

Says Six Provinces Secede

BK1006071693 Hong Kong AFP in English 0714 GMT 10 Jun 93

[Text] PHNOM PENH, June 10 (AFP)—Six provinces in Cambodia have seceded, Phnom Penh Prime Minister Hun Sen and U.N. officials said Thursday in the wake of official results of a U.N.-run general election. Hun Sen named the first three provinces, all in eastern Cambodia, after election results showed the government Cambodia People's Party (CPP) had lost out to the royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party.

"Now, at this moment, a number of provinces have decided to secede and to reject the result of the elections," Hun Sen said after a meeting of Cambodia's Supreme National Council (SNC). "Kompong Cham province is one of the provinces which has decided to secede and does not recognise the results of the election," he said. "The provinces of Svay Reng and Prey Veng also join with Kompong Cham."

U.N. Transitional Authority in Cambodia (UNTAC) chief Yasushi Akashi told reporters that Mondolkiri, Ratanakiri and Stung Treng, all in northeast Cambodia, had also broken away.

Meanwhile reports from Kompong Cham quoted witnesses as saying that some 600 government soldiers had attacked FUNCINPEC offices and surrounded a U.N. building. No other details were available.

Hun Sen had earlier told the SNC that hardliners Prince Norodom Chakrapong and National Security Minister Sin Song, had threatened to secede and create autonomous zones.

Chakrapong's father Prince Norodom Sihanouk, Cambodia's head of state and chairman of the SNC, said his son had left for Prey Veng province and apologized for the "very Third-World situation" that has arisen.

Immediately on the official announcement of the election results Hun Sen said that his government would not hand over power or cooperate with FUNCINPEC in drawing up a new constitution because of massive irregularities in the voting.

Akashi denied the allegations and said the polls were free and fair.

CPP Mob Attacks FUNCINPEC Office, Wants UN Out

BK1006104293 Hong Kong AFP in English 1008 GMT 10 Jun 93

[Text] Phnom Penh, June 10 (AFP)—About 600 demonstrators organised by the Cambodian People's Party tore down signboards of the rival royalist FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party in the eastern city of Kompong Cham on Thursday and demanded all United Nations peacekeepers leave the province, UN officials and witnesses said. The demonstrations started when about 2,000 government civil servants were handed banners and ordered to take to the streets, UN sources said. The country's most densely populated province seceded in protest over its loss of the UN-organised election, Phnom Penh Prime Minister Hun Sen said in the capital.

A UN human rights worker in Kompong Cham City said the crowd balked at having to protest and their numbers quickly dwindled throughout the morning from about 2,000 to around 300.

About 600 people stoned the office of FUNCINPEC, which won last month's UN election. Party workers had already fled to Phnom Penh, witnesses said. The crowd also surrounded the office of the smaller Buddhist Liberal Democratic Party (BLDP) of former prime minister Son Sann, and forced down the sign, a witness said by telephone.

The governor Hun Nheng, brother of the prime minister, delivered a statement to the UN peacekeeping office in the provincial capital accusing UN officials of organising an unfair election and demanding that all UN personnel immediately leave the province.

Some of the protestors were armed. Phnom Penh soldiers and police stood by without intervening, UN spokesman Eric Falt said. But no UN personnel or property were attacked, he said.

The UN provincial director was reported to be meeting with the governor to discuss the situation, the human rights worker said.

Hun Sen campaigned heavily and was expecting a big victory in his native province. Instead his party suffered a stinging rebuke, and was likely to win only six seats against FUNCINPEC's 10.

The governor's statement, which was also signed by the local head of the armed forces, the chief of police, and the Cambodia People's Party district heads, called for the national reconciliation government to be led by Prince Norodom Sihanouk. Prince Sihanouk, however, has dropped this idea saying it met with opposition from both the UN Transitional Authority in Cambodia (UNTAC) and the United States.

Hun Nheng stated that he and the Kompong Cham officials still respected his brother and CPP President Chea Sim, but the respect was conditional.

"We cannot follow their decisions while they are being pressurised by UNTAC. We will obey the leaders only if our conditions are met," Hun Nheng wrote.

Indian UN peacekeepers were deployed around the deserted FUNCINPEC and BLDP offices, witnesses said.

Letter Opposes Sihanouk Plan To Borrow From World Bank

BK1006040393 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 9 Jun 93

[9 June open letter from representatives of the people, Buddhist monks, and low-ranking soldiers and policemen of the State of Cambodia in Phnom Penh to Prince Norodom Sihanouk—read by announcer]

[Text] Firstly, all of us representatives of the people, Buddhist monks, and low-ranking soldiers and policemen of the State of Cambodia [SOC] in Phnom Penh would like to humbly request his royal highness [HRH] prince father to permit us to present this open letter to you through the radio station that agrees to read it on the air. We have been used to writing many letters to the prince father since 1992 through the usual channel and through some officials in the SOC, but it appears that HRH has never received those letters from us. As such, we have now decided to present open letters to HRH through the radio station that agrees to broadcast them.

All of us have received reports from various milieus and radios saying that in recent days, chieftains of the Cambodian People's Party and SOC have staged a show of force through [word indistinct] messages, asking prince father to borrow money from the World Bank in order to, according to them, to feed the SOC and the SOC civilian, military, and police officials.

Moreover, all of us are aware that representatives of major powers in Phnom Penh have taken turns meeting with the prince father with a view to persuading, threatening, and inspiring you to pressure Prince Norodom Ranariddh—chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party, which the victorious party in the polls—to return to Phnom Penh in order to join a provisional government organized in accordance with their plan. Most important of all, they have done whatever they can, with smiling and serious looks, so as to influence you to borrow close to $70 million from the World Bank to feed the SOC a few days before the setting up of a constituent assembly.

Concerning the aforementioned events, all of us your children would like to respectfully present our views to HRH as follows:

1. At this point in time, we request HRH not to borrow money from the World Bank, in any case.
2. At first, His Excellency [H.E.] Akashi, UNTAC [UN Transitional Authority in Cambodia], and the United Nations, the organizers of the balloting in Cambodia, should be allowed to officially announce the election results, and a constituent assembly should be set up and allowed to function to draft a new constitution for Cambodia.
3. Only with Cambodia's new constitution can the assembly establish a new national government for administering our Cambodia.
4. Only a new national government from a completely established constitution is officially and fully empowered to organize state affairs both in and outside the country in keeping with the wish of the entire people and voters.
5. As for the amount of money to be borrowed from the World Bank, other banks, or other countries, it depends on the new national government's decision that should be ratified by the National Assembly.

All of us your children, who respectfully love and follow you, would like to earnestly request the prince father to remain neutral and not become involved in different affairs in this current chaotic situation since this action could affect or jeopardize HRH's name, honor, reputation, or prestige. All of us your children, including thousands of low-ranking soldiers and policemen in Phnom Penh and others in various provinces, firmly believe in the prince father and ardently and profoundly hope that only you can navigate our unfortunate Cambodian ship toward a shore of glory as in the period preceding 1970.

All of us, including thousands of low-ranking soldiers and policemen in Phnom Penh and representatives of tens of thousands of low-ranking soldiers and policemen in diverse provinces, would like to point out to HRH the prince father that for the time being if you borrow money for the SOC, this is tantamount to furthering the endless destructive war. Besides, the money that the SOC has amassed since 1979 from all kinds of taxes imposed on the Cambodian people and from the former Soviet

Union and East Europe and various humanitarian organizations has been used to serve the war of the Yuon [derogatory term for Vietnamese] and SOC or was pocketed by the Yuon or high-ranking officials of the SOC. As for the low-ranking soldiers and policemen, they have suffered indefinitely since 1979. Ever since, each of them has had only a set of clothes and a piece of ragged mat. They have slept directly on the ground without mosquito net, blanket, or hammock and have not been provided with plastic sheets for use to shelter themselves in the rain. They have not been paid by the SOC for three, five, seven, or nine months and they have lived in famine. However, no SOC official has cared about them and senior leaders have never come to visit them. Instead, those people have threatened them by firing gunshots over their heads from behind, forcing them to go and make war on the battlefield, to die or become disabled, to bully the people, to force the people and youth to serve as new recruits, and to plunder the people's rice, paddy, and belongings, and so on.

Actually, we should not raise these matters with HRH, who is worried about having the nation reach a reconciliation, end the war, and regain peace. However, as we have no one else to rely on, we have decided to inform HRH about the issues.

[Dated] 9 June

[Signed] Representatives of the people, Buddhist monks, and low-ranking soldiers and policemen of the SOC in Phnom Penh

Copies to: The Central Committee of the FUNCINPEC Party, the winner of the UN-organized elections; H.E. Akashi; and members of the UN Security Council

Sihanouk Asks Akashi To Facilitate Loan

BK1006054393 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 9 Jun 93

[Text] His Royal Highness Prince Norodom Sihanouk, chairman of the Supreme National Council [SNC], sent a letter to His Excellency [H.E.] Yasushi Akashi, special representative of the UN secretary general and UNTAC [UN Transitional Authority in Cambodia] chief, on 8 June. The following are its contents:

Highly distinguished Excellency: 1. To maintain law and order and ensure the normal progress of Cambodian society in the transition period and nurturing hopes of a new government;

2. Owing to UNTAC's reliance on the existing military and administrative forces in Cambodia, including military and security police and personnel in the social, health, educational, and communications sectors and so on; and

3. To avoid social crises and relieve the hardship of the personnel of the various ministries' who are part of the supporting staff and currently receiving only meager salaries;

I have the honor of presenting this proposal to you and requesting that you approach countries, private organizations, or funding bodies that have the financial resources to make a moderate grant for the maintenance of civilian and military personnel. In general, I believe that World Bank loans will help solve this problem.

Your Excellency is requested to envision possible ways, with the new constituent assembly to be established in the near future, to facilitate the borrowing.

In my capacity as the head of state and SNC chairman, who should always remain neutral and not side with any Cambodian party, my intention with the above proposal is only to ensure Cambodia's stability and social tranquillity.

I would like to express in advance my deepest thanks to you and your staff for the attention you will give to my proposal.

Your Excellency and the staff, please accept my deepest and warmest regards.

[Signed] Norodom Sihanouk

Sihanouk, Ranariddh To Meet 9 Jun

BK0906111593 Hong Kong AFP in English 1104 GMT 9 Jun 93

[Text] Phnom Penh, June 9 (AFP)—Cambodian leader Prince Norodom Sihanouk invited his son, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party leader Prince Norodom Ranariddh, to dine with him Wednesday in the Royal Palace, palace officials said. With the results of the UN-supervised elections nearly complete, FUNCINPEC has emerged as the clear winner, but would not control the two-thirds majority necessary to pass a new constitution and form a government on its own. The invitation follows Prince Ranariddh's objections to his father's proposal to set up a coalition government.

Ranariddh arrived in the Cambodian capital Wednesday, but would not comment on whether his conditions for accepting his father's proposal had changed, saying only that "I have to talk to my father first." Sihanouk, however, said he has given up on the idea. Ranariddh had objected to the coalition idea, refusing to accept Phnom Penh Government Prime Minister Hun Sen, and his bitter foe and half brother deputy minister Prince Norodom Chakkrapong.

Cambodian People's Party (CPP) spokesman Khieu Kanharith said that CPP President Chea Sim was also invited to the dinner, but was not sure whether he would attend.

FUNCINPEC official Sam Rainsy said he thought the meal would be attended by father and son alone.

"I don't think Chea Sim will be there. He has already met Prince Sihanouk a couple of times. Ranariddh needs to talk alone to his father," he said.

Although some UN sources had originally referred to Sihanouk's proposal as a constitutional coup, UN spokesman Eric Falt said Tuesday [8 June] that the world body endorsed the prince's attempts to bring national reconciliation and urged all parties to intensify negotiations.

Indonesia

Lawmakers: New Rights Body Not Linked To Economy

BK1006042193 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 9 Jun 93

[Text] The establishment of the National Human Rights Commission is not the government's effort to attract the attention of donor countries or a result of foreign countries' pressure, but is indeed a manifestation of the Pancasila ideology and the 1945 Constitution. Martin Hutabarat, a member of parliament's commission on human rights, said this to reporters in Jakarta today in connection with the issuance of presidential decreee no. 50/1993 on the establishment of the National Human Rights Commission. He added that the establishment of the commission is not related to economic assistance given by donor countries grouped in the CGI [Consultative Group on Indonesia].

Meanwhile, Theo Sambuaga, another member of parliament, hopes that the commission, to be headed by former Supreme Court Chief Ali Said, will be able to carry out its duties. Theo Sambuaga, one of parliament's vice speakers, said the birth of the commission is an important landmark because human rights has become a global issue which has attracted the attention of people inside and outside the country.

The newly established commission is an independent organization and consists of clergymen, intellectuals, professionals, and observers.

Minister Defends Development Programs

BK0506124293 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 5 Jun 93

[Text] Ginanjar Kartasasmita, minister of state for national development planning and chairman of the National Development Planning Board, says Indonesia appreciates various suggestions and proposals made by the World Bank. However, this does not mean that the suggestions and proposals made by the international body should always be followed. Speaking to newsmen after meeting President Suharto at Jakarta's Merdeka Palace this afternoon, Minister Ginanjar said the World Bank has made the suggestions based on its studies in various countries. However, he stressed that these suggestions are general in nature and should be adjusted with the conditions of countries. He made it clear that although the government takes note of the World Bank's suggestions, all development activities are being carried out on the basis of the broad outlines of state policies drawn up by the government and people.

Jakarta To Open More Areas to Foreign Investment

BK0506065893 Jakarta ANTARA in English 0629 GMT 5 Jun 93

[By Askan Krisna]

[Excerpts] Jakarta, Jun 4 (OANA-ANTARA)—The government has hinted it will shorten the official negative list of investments amidst the increasingly fierce world competition to attract as many investors as possible. The list sets down investment fields which are closed to foreign capital. The move is aimed at giving wider opportunities to investors to increase their investments, State Minister for Investment Mobilization/head of the Investment Coordinating Board (BKPM) Sanyoto Sastrowardoyo said recently.

The government is also considering regranting tax holidays to investors as further incentive, he said. There are 51 business fields which are closed to investors. Sanyoto said most of the business fields are classified as strategic ones which have far-reaching impacts. [passage omitted]

Deputy Chairman of the State Budget Commission at the House of Representatives (DPR) Aberson M. Sihalolo said the reduction of items in the negative list should be aimed at improving the optimalization [as received] of manufactured goods production rather than spurring protectionism. He said the government should then take firm steps to issue deregulatory and debureaucracy packages, otherwise importing countries will impose high import duty on Indonesian exports. Consequently, our products will become uncompetitive.

He opined that if the negative list of investments is aimed at protecting certain manufacturing industries, the national industries will not reach their efficiency which will have an effect on low quality of industrial products and their competitive edge on both domestic and foreign market. Meanwhile, Chairman of the Indonesian Chamber of Commerce and Industry (Kadin) Sotion Arjanggi said that items in the negative list of investments which have nothing to do with the protection of the public interest and state security should be eliminated.

Related ministries and institutions have the task of reassessing which types of businesses and industries are closed to foreign investors. The current negative list is still aimed at protecting domestic industries, which tend to develop into disguished monopoly, he said, citing as an example the automotive industry. He said the step to be taken by the government on the negative list is part of efforts to anticipate agreements which will be reached at talks in the framework of the General Agreement on Tariffs and Trade (GATT) because the negative list can be considered non-tariff barrier.

Paper Sees Need for Improved ASEAN Economic Ties

BK0206103293 Jakarta KOMPAS in Indonesian 30 Apr 93 p 4

[Editorial: "The Realization of AFTA, ASEAN Competition, and Indonesia's Hope]

[Text] At least two issues should be stressed at the two-day ASEAN Forum in Singapore, whose theme for discussion is: Feature Trade and Investment Flows, New Regional Challenges for ASEAN [preceeding theme in English; as received]. The two issues to be discussed were: first, the realization of economic cooperation among ASEAN; second, the hope by ASEAN business circles for Indonesia to embark on an attitude of openness.

The realization of the first issue concerning economic cooperation among ASEAN members was far from being achieved. Even when ASEAN had agreed to create an AFTA/ASEAN Free Trade Area [preceeding term in English] in stages, the early process was very slow.

The problem which arose from the second issue was the accusation that Indonesia's economy vis a vis certain ASEAN member countries was considered as very introverted. In fact, according to ASEAN economic observers, Indonesia, with its huge market and an overflowing supply of natural resources, has a very good potential to absorb investment opportunities from other ASEAN member countries.

The discontent expressed by several parties concerning ASEAN economic cooperation is not a new issue. During the last 25 years of ASEAN economic cooperation, such dissatisfaction has been repeatedly voiced. ASEAN economic cooperation was considered as sluggish compared with the progress achieved in cooperation in the political field.

For example, intra-ASEAN trade has not even reached 20 percent in terms of global trade. In fact, numerous schemes were hatched and introduced to promote intra-ASEAN trade.

A new hope arose for ASEAN economic cooperation in 1992 when the ASEAN leaders agreed to implement the CEPT (Common Effective Preferential Tariff) [preceeding term in English] scheme effective 1 January 1993. Its objective was to turn ASEAN into a free trade area within 15 years.

Even though CEPT was implemented for only four months, the grouping again displayed a feeling of discontent. The effort to reduce tariffs, which forms the lifeline of CEPT, did not indicate any encouraging signs. The implementation of CEPT toward the realization of AFTA was not supported by any encouraging indications. Thus, it is difficult to allay any accusations arising from the ASEAN Forum. Even ASEAN Secretary General, Ajit Singh, who is well acquainted with the grouping—besides the participants—was disappointed.

We disagree with the ASEAN secretary general's opinion that ASEAN should not feel recalcitrant in accepting any negative effects by implementing AFTA. We are aware that the implementation of AFTA was aimed at providing ASEAN with mutual benefit. As a matter of fact, it was never aimed at jeopardizing any of the member countries which cannot compete with any other member country. With such an awareness, only major issues should be dealt with.

First, AFTA was introduced with the objective of increasing competitveness among ASEAN members in trade and investment. Competitiveness in the global market is ever increasing due to several reasons, which are, among other things, affected by the inclusion and entry of the East European countries into the free markets, the existence of trade blocs, the widening of trade wars and the interest in strengthening protectionism.

Competitiveness is not meant to be competitiveness for only 10 to 15 seconds after AFTA comes into existence. The decline of investment in certain ASEAN countries over the last two years has been counterbalanced by an increased number of investments in some neighboring countries outside the ASEAN grouping such as the People's Republic of China and Vietnam.

Thus, in this context, we support the desire to fully implement the stage-by-stage schemes as laid down in CEPT toward the realization of AFTA. We also support the opinion that there should be standing rules for AFTA and they should be transparent.

With the understanding that there will be stiff competition, we look forward to the ASEAN leaders ability in trying to do away with all obstacles—particularly bureaucratic obstacles—which have all along hindered numerous forms of ASEAN economic cooperation.

Meanwhile, with regard to the accusation that Indonesia's economy has been relatively closed compared with those of other ASEAN countries, we will not overreact. For instance, regarding the structure for import tax, a remark was made by Coordinating Minister for Trade and Industrial Affairs, Hartarto—who was previously the minister of trade—saying that Indonesia's position was much better than that of some of the ASEAN member countries.

We surely agree that if our economy is opened wider—given that the investment climate and trade regulations have improved—there will be an increased and more encouraging flow of foreign investments into this region.

Therefore, the ASEAN Forum stresses, among other things, the need by Indonesia to continue with its deregulation in the investment and monetary sectors. Deregulation in these two sectors is considered as still inadequate and should also include other sectors, for example, the transportation sector.

The proposal to deregulate other sectors should be undertaken with greater enthusiasm, whereas the proposal to deregulate the monetary sector should be cautiously made with a careful approach. This is because we are aware that such a step would make our national economy more efficient. People are still waiting for the government to honor its promise of deregulating the real sector.

Article Views Conflict Over Spratly Islands

BK1006033793 Singapore BUSINESS TIMES in English 9 Jun 93 p 23

[Article by Former Indonesian Foreign Minister Dr. Mochtar Kusumaatmadja: "Defusing Tensions in the South China Sea"]

[Text] The dispute over the Spratlys and China's assertion of its territorial rights over the island group have undoubtedly put the spotlight on the South China Sea as the region's next flashpoint. Recently, some strategic thinkers even proposed changing the name of the sea. This is the trend of thought prevalent in Singapore on the Spratlys.

As an Indonesian, I see things differently. We realised as far back as three years ago that unless measures were taken to defuse the potential for trouble over the Spratlys and immediately start confidence-building measures, the Spratlys could indeed become the next flashpoint.

Early in 1990, some people in Jakarta discussed the desirability of drawing the region's attention to this danger by persuading our neighbours to do something about it. The informal meeting on the Paracels and Spratlys in the summer of 1990 in Denpasar, Bali, attended by representatives of all the ASEAN member states in their personal capacities was the first meeting on the subject.

The meeting was sponsored by the Research Division of the Indonesian Foreign Office with the Centre of Archipelago and Development Studies as a co-sponsor. Canada provided part of the funding to cover the expense of inviting participants from outside Indonesia. That first meeting was followed by a second meeting in Bandung in 1991 and a third in Yogyakarta in 1992 with an increase in attendance, both in quantity and quality. Since the 1991 Bandung meeting, senior officials of China's Foreign Ministry have also attended the meetings.

The basic idea was to defuse the potential conflict between rival claimants of the Spratlys by proposing the concept of joint development. This is not only to jointly develop the island group's resources but also to cooperate in combating pollution, preserving the marine environment and in matters of safety of navigation and the development of fisheries. The model for the joint development zone was the Indonesian-Australian Treaty on the Joint Development of the Seabed South of East Timor which has served as a model for similar development schemes.

The concept of cooperation on the Spratlys has gone even further, covering many aspects of joint development not limited to the development of resources.

The philosophy underlying the effort was, and still is, Indonesia's policy of conflict prevention in the tradition of a peaceful settlement of disputes rather than settlement by other means. Indonesia has adopted this attitude ever since the end of Confrontation in the mid-Sixties and has demonstrated the viability of this philosophy in reaching a settlement on the Cambodian problem with Vietnam with the support of Jakarta's ASEAN friends.

Indonesia's initiative to meet informally on the Spratlys (and the Paracels) has been followed by some of Jakarta's neighbours. By 1992, the region's thinking, at least on the part of ASEAN member countries, had reached a degree of consensus, allowing it to be brought to the next stage—formal endorsement by the ASEAN governments. That was done at the Singapore ASEAN Summit. The Summit's decision was further developed at the 1992 ASEAN Foreign Ministers' meeting in June.

However, since early 1992, China began taking certain measures which were viewed with alarm. The first was the granting of a licence to a United States oil company to explore off-shore resources near the Paracels. This was followed by the enactment of a law on territorial waters by China, specifically reasserting her claim to sovereignty over the Paracels and the Spratlys.

Vietnam strongly protested the granting of the licence by China and an open conflict seemed imminent.

Threatening voices from military leaders in Beijing added to the tension, galvanising into action the ASEAN Foreign Ministers who were to meet at the 1992 annual meeting. The foreign ministers devoted much attention and time to the subject, making their position clear by issuing a separate statement on the South China Sea. In their comments, widely published by the press, ASEAN's spokesmen, notably Malaysia's Foreign Minister Abdullah Ahmad Badawi, voiced ASEAN's concern over the moves made by China, characterising them as provocative.

China's reaction was positive. It started talks with Vietnam over their conflicting claims on the seabed of the continental shelf around the Paracels. The Chinese Foreign Minister later issued a statement assuring Southeast Asian nations that China was still committed to joint efforts to develop the Spratlys with other claimants.

He reiterated, however, his country's basic claim to sovereignty over the island group.

In an earlier article discussing the problems in South-east Asia, this writer welcomed the Chinese attitude and the reassurances given to Beijing's South-east Asian neighbours, suggesting that China had read the message signalled by ASEAN at its Foreign Ministers' annual meeting. This writer also concluded that China would not continue to pursue its claim by force. For while this would be possible in military terms, politically, it would be extremely costly in terms of goodwill in Southeast Asia.

China, with its present imperatives of domestic reconstruction and development and increased trade with the outside world to support its economic development, simply cannot afford to embark on an adventure in the South China Sea.

The recent elevation of Chinese Foreign Minister Qian Qichen to the Politburo strengthened my view that China would play a role which on balance would be constructive in East Asia, including Southeast Asia. We are fortunate that Mr Qian is an intelligent, balanced and mature person and his membership in the Politburo augurs well for future relations between China and its Asian neighbours.

On the question of whether a change of name with regard to the South China Sea would be helpful or not, as far as Indonesia is concerned, we have for domestic purposes already changed the name of part of the South China Sea. This is the part south of Natunas Island, which for some time has been called the Natunas Sea. I venture no opinion on that part of the South China Sea outside our national boundaries or the boundaries of the continental shelf. That is for others to decide.

Any change of a geographical name, however, should be consulted with the United Nations Committee on Geographical Names which is composed of geographers and cartographers of eminence.

Indonesia has not yet filed a formal request nor sent notification to the UN Commission on its wish to change the name of that part of the South China Sea lying within its national boundary to "the Natunas Sea". But knowing the subject and the general policy of the Committee, I do not think there will be any difficulties.

As for the general question of whether a change of name will change the atmosphere among China and the countries of Southeast Asia over the disputed areas of the South China Sea, I have ventured the suggestion that this is not as important as changing perceptions and, most of all, attitudes.

The world has become too small to settle territorial disputes by force. The world is still suffering from boundaries imposed upon peoples by outside (imperial) powers, sometimes by force. It would be wise for us not to repeat this mistake. It is better to devote all our resources, energy and ingenuity to solving common problems by common efforts. That is the Indonesian philosophy underlying the settlement of boundary problems.

South-east Asia has suffered too much for too long. It is time for Southeast Asian nations to take the future into their own hands and try to realise their ideals of peace, freedom and security in the region with all seriousness and determination.

Philippines

Estrada Visits Filipino Community in U.S.

HK1006030493 Quezon City MALAYA in English 10 Jun 93 p 2

[Report by Romy Tangbawan]

[Text] Failing to wangle an invitation from the Clinton administration to go to the United States on a state visit, President Ramos is instead sending Vice President Joseph Estrada on an official visit to the U.S.

Estrada flew to California last night, saying his mission is to "showcase the programs of the Ramos administration" and to "enhance Philippine-American relations."

Ramos reportedly planned to go on a state visit to the United States to seek assistance but protocol dictates that he must first be officially invited by the host government.

The U.S. government has indicated it has no plans of inviting Ramos this year.

Estrada said the Department of Tourism and the Filipino-American comunity have arranged speaking engagements in the West Coast. He will also participate in activities leading to the celebration of Independence Day on June 12.

Accompanying the Vice President were Sen Vicente Sotto (Laban) [Nation's Strength], chairman of the Senate tourism committee, and Tourism Secretary Vicente Carlos.

Estrada said their mission is to impress upon the Filipino-American community that the Ramos administration is doing its best to confront the problems gripping the nation such as peace and order, criminality, and poverty.

"We can proudly tell them we have done something in the campaign against criminality, particularly in kidnapping. The peace talks with rebel groups is also ongoing," he said.

Estrada said he was instructed by the President to emphasize to the Filipino community the following:

—The need for their support for the government's campaign to attract foreign investors through their networks in business and investment circles.

—The need for the community to become unified force that can influence policies and decisions of the U.S. government on their own situation in the U.S. and on Philippine-American relations.

—The government's effort in implementing a program focusing on Filipino-American contributions to American Society.

Estrada and Sotto are also scheduled to conduct press conferences with Filipino community papers and the foreign press, particularly in Los Angeles and San Francisco where Filipino immigrants are concentrated.

Ramos Relaxes Foreign Leaseholder Restrictions

HK0706061493 Manila MANILA STANDARD in English 5 Jun 93 p 4

[Report by Merlinda Manalo]

[Text] President Ramos yesterday signed into law two measures aimed at luring more foreign investors into the country and enhancing revenue collections of the government.

The President, during simple rites in Malacanang, signed Republic Act [RA] 7652, which will allow foreign investors to lease private land in the country for a maximum of 75 years.

Another law, Republic Act 7651, is expected to strengthen the Bureau of Customs by limiting the period of filing the import entry and filing of the claim on an imported item to a non-extendible period of 45 days or else the articles will be forfeited.

Trade and Industry Secretary Rizalino Navarro said that the new law allowing the long-term lease of lands by foreigners will help the government achieve its investments target of P145 billion [Philippine pesos] for this year. Navarro, however, said that this figure should be scaled down due to continued brownouts which have adversely affected economic activity.

The President said that the Long-Term Lease law was "yet another effort to attract more foreign resources needed by our economy. The measure will improve our attractiveness as an investment destination in the ever-growing global economic community."

Navarro said that with the new law, the country can become more competitive with China and Vietnam in encouraging foreign investments. China and Vietnam allows foreigners to lease lands on a long-term basis.

The President said that his administration's goal was to create more jobs for Filipinos at home to prevent skilled workers from going abroad to seek greener pastures and the new law will help reach this goal.

The Chief Executive noted that under RA 7651, importers are constrained to work for the early release of their cargo, which in effect will accelerate the collection of duties and taxes on imported items.

"The early releases of cargoes will result in port decongestion and reduce opportunities for pilferage at the port of entry," the President said.

To prevent graft and corruption, the new law also provides for the automatic appeal to the Customs commissioner and to the secretary of Finance cases involving contested importation in which the ruling of the customs collector is against the government.

"I enjoin all officials, agencies and sectors involved in the import industry to join the government in its drive to improve our import services and to eradicate graft and corruption in all our ports of entry by strictly adhering to the mandate of this law and all other laws, rules and regulations governing the importation of goods," the President said.

Speaker Jose de Venecia Jr said he foresees a real estate boom with the signing into law by Preisdent Ramos of a bill allowing foreigners to lease land in the country for investment purposes for up to 75 years.

"The measure will ignite a boom in the development of industrial, tourism and agricultural real estate," and make the Philippines the most attractive investment site in the Asean region, De Venecia said.

He noted that while the three million Filipinos in the United States and Canada could buy land, houses and buildings, foreigners are restricted to do the same in the country.

The present law limits land lease by foreigners to only 50 years.

"Even China, with its 1.2 billion population and where the ratio of people and land area is limited, long-term leases are not only permitted but also encouraged," De Venecia said, adding that "this is the main reason of the high rate of GNP growth in China."

The measure, which is a variation to the Hong Kong and Anglo-Saxon leasehold system, was principally authored in the House by De Venecia and Rep Margarito Teves.

The bill provided that in case of tourism-related projects, the longer lease period shall apply only to investments not less than $5 million, of which 70 percent should be infused in the project within three years from signing of the lease contract.

ADB Sanctions Thermal Power Plant Loan

HK0206055093 Manila THE MANILA CHRONICLE in English 2 Jun 93 p 9

[Text] The Asian Development Bank (ADB) yesterday approved a $40 million loan to, and $10 million equity investment in a $1-billion, 770-megawatt (Mw) coal-fired thermal power project at Pagbilao, Quezon.

The private sector project will be implemented under a build-own-operate-transfer (BOT) basis by Hong Kong based Hopewell Group.

Located on Pagbilao Grande Island in Quezon Province 100 miles southeast of Manila, the plant is due to be fully operational by the end of July 1996.

Hopewell Power (Philippines) Corp will operate the plant for 25 years and transferr it to the National Power Corp (Napocor) at no cost.

The project will feed the Luzon grid and will significantly raise the baseload capacity locally where power outages of eight hours or more a day have disrupted industrial and commercial activities and constrained economic growth.

Key environmental concerns over the plant's air emissions, liquid effluents, and ash disposal have been addressed comprehensively after extensive consultations with the local community.

The boiler will be equipped with electrostatic precipitators designed to remove 99 percent of particulates. Primary fuel would be high quality coal.

To maximize dilution, a 210-meter high stack will vent the flue gases. All liquid effluents will be treated before being discharged. An ash lagoon will be built next to the plant lined with an impervious clay to prevent contamination of groundwater and seawater.

An 8.7-hectare site on Pagbilao Grande Island will be developed for the more than 1,000 people who will have to be moved out when the project is brought into the area.

About 20 temporary structures will be relocated and income-generating livelihood programs will be provided for the affected population.

The plant will consist of two units, each with a net capacity of 385 Mw. Each unit will have a pulverized coal-fired steam generator, a steam-driven turbine generator set, and all the equipment needed to convert high-quality coal to electricity.

The project will include all site development, civil works, cooling and freshwater systems, and infrastructure facilities such as wharf, storage yards, and a 630-meter bridge connecting Pagbilao Grande island to the mainland.

The project's total cost is $973 million. A total equity of $235 million will be divided between Hopewell Energy International Ltd with a 87.22 percent share and the International Finance Corp (IFC), the Commonwealth Development Corp, and the ADB with 4.26 percent each.

Taiwan Bank Opens Office, Pledges Economy Boost

HK0806103293 Manila MANILA BULLETIN in English 8 Jun 93 pp 1, 24

[Text] The chairman of the first Taiwanese bank to set up a Manila representative office said yesterday he would boost Taiwan efforts to help the Philippines attain newly industrializing country (NIC) status by the turn of the century. President Ramos was the guest of honor at a dinner hosted by Dr. Jeffrey L.S. Ku, chairman of China Trust Commercial Bank, on the eve of the inauguration of its Makati-based representative office. "The entry of one of Taiwan's most formidable financial firms sends out a clear message to other investors—that the Philippines, despite its growing pains, remains a prime investment target in the Asia-Pacific region," Ramos said.

Ku flew in from Taipei yesterday morning with bank President Kenneth Lo, Senior Executive Vice President Dr. Chin-Mai, and Senior Vice President Vance Chin. "I would like to express great admiration for President Ramos for his determined leadership and efforts to transform the Philippines into a newly industrializing country by the year 2000," Ku said. "I wish to pledge my full support on the economic front for his administration as it pursues its aspirations in joining the ranks of the NICs," he stressed.

China Trust will assist and advise Taiwanese businessmen on investment opportunities in the Philippines, Ku said. It will also promote the flow of Taiwanese investment capital to the Philippines, especially the Subic Bay area where Taiwanese businessmen are developing a 300-hectare industrial estate. China Trust's leasing group is also finalizing plans to put up the Manila office of Chailease PBCom [Philippine Bank of Communications] Finance Corp., a joint venture by the bank and the Philippine Bank of Communications.

Ku said the new firm "will help meet the financial requirement of Philippine and Taiwanese businessmen in bringing machinery and other capital equipment for their operations here." The Ku conglomerate flagship was Taiwan's top trust and securities firm before it gained a permit to establish full banking services. It reported a NT$3 billion "income after taxes" in 1991 and has total resources valued at US$10 billion. Aside from its financial and banking services, China Trust's entry holds major economic implications for the country.

The chairman of the Ku conglomerate, Ku Chen-flu, is a member of the central committee of Taiwan's ruling Kuomintang Party. Ku heads the Joint Philippine-Chinese and Chinese-Philippine Business Council that has played a major role in the establishment of profitable ventures in the Philippines. The China Trust chairman also bared the bank's plan to upgrade its office into a full branch with the recent passage of the bill liberalizing the entry of foreign banks in the country.

Creation of Central Monetary Authority Approved

HK1006033093 Quezon City MALAYA in English 10 Jun 93 pp 1, 8

[Report by Romy Tangbawan]

[Text] A Senate-House conference committee approved yesterday a bill creating the Bangko Sentral ng Pilipinas [Central Bank of the Philippines; BSP]—the Central Monetary Authority—which will assume the P308 billion [Philippine pesos] debt of the old Central Bank [CB].

The bicameral committee adopted most of the provisions in the Senate-approved version but the manner of disposing the CB liabilities was based mainly on the House version.

The reconciled bill is expected to be ratified by both chambers this afternoon before the legislators adjourn the first session of the 9th Congress.

Other salient provisions of the approved measure:

—The BSP is capitalized at P50 billion.

—The Monetary Board, the policy-making body for the BSP, will be composed of two members from the government and five full-time members from the private sector whose salaries will be fixed by the President.

—The BSP will be considered a department and its governor will be subject to confirmation by the Commission on Appointments.

—The governor will have quasi-judicial powers and the BSP will be empowered to arrest or conduct searches to maintain the integrity of the peso.

Sen Raul Roco (Laban) [National Strength] and Rep Jose Carlos Lacson (Lakas, Negros Occidental) [Strength National Union of Christian Democrats], committee co-chairmen, said that with the BSP creation, "the public can be sure of a more stable value of their money."

Roco said BSP's capital and the provision freeing it from government interference gives it the "wherewithal to control price stability" or ensure monetary stability.

"Since there will be no fear of their money suddenly running out of value, enterprises can make projections correctly," Lacson said.

But at least two House panel members said the measure is "nothing to brag about."

Rep Edcel Lagman (Laban, Albay), who was angry over the panel's decision not to heed a proposal to defer action on the measure, said: "The bottomline is that the bill shifts the burden of paying the P308-billion Central Bank liabilities to the people."

Rep Joker Arroyo (Ind [Independent], Makati) described the approved bill as a "chopsuey dish" which was "not well thought of because no matter how you look at it, it is the taxpayers who will bear the burden."

Arroyo expressed surprise that neither panel pinpointed who were responsible for the P308-billion liability, and which companies benefitted so that they could stare in the payment of the debts.

"The P308 billion favored so many corporations. We were hoping that some of them would assume it (losses). But now, they are scot-free and the people will pay for it," he said.

Arroyo said the BSP creation was linked to the release of loans totalling P450 million by foreign creditors which will be used to pay for previous loans of the government.

"In effect, we are passing a P308-billion debt incurred mostly by big corporations to the Filipino people in exchange for a mere $450 million loan which we will not even be seeing," Arroyo said.

The World Bank has a series of loans planned for the power sector and would support rural electrification, energy conservation, water and waste management, irrigation and transport, he added.

On poverty alleviation, he said the bank will focus its lending on agriculture, education and health.

Saudis Protest Continued Iraqi Trade Ties

HK3105040293 Manila PHILIPPINE DAILY INQUIRER in English 29 May 93 p 15

[Text] Saudi Arabia does not favor the Philippines' continued economic relations with Iraq and wants the government to re-examine this policy, according to the report of the Philippine goodwill mission to the headquarters of the Organization of Islamic Conference [ICO] in Jeddah. The report, which was submitted to President Ramos by mission head Liningding Pangandaman, governor of the Autonomous Region of Muslim Mindanao, said that Saudi Deputy Foreign Minister Abdurahman Mansouri expressed "serious concern" over Manila's policy toward Iraq.

"Saudi Foreign Minister Mansouri's [title as published] comment expressing the serious concern of his government on the RP [Republic of the Philippines]-Iraq economic cooperation agreement at this point of time deserves careful study," Pangandaman told the President. He said that the government's response to Mansouri's concern must be immediately relayed to the Saudi government while the peace efforts with the Moro National Liberation Front (MNLF) is still under way.

Aside from being the headquarters of the OIC, Saudi Arabia also exerts tremendous influence on the foreign policies of Arab countries which joined forces with the allied coalition against Iraq during the Gulf War.

Philippine Ambassador to Jordan Pacifico Castro in a separate report to the DFA [Department of Foreign

Affairs], has also questioned the wisdom of the country's decision to maintain a 10-man embassy in Baghdad at $500,000 yearly without any income. Castro has been opposing the DFA's decision to close down the embassy in Amman this June in favor of Baghdad despite its $103,000 yearly income. He said Jordanians were shocked at the government's closure decision and the retention of the embassy in Iraq despite the United Nations sanctions against Baghdad.

'Armed Group' Attacks Ships in South China Sea

HK0406130293 Manila Manila Broadcasting Company DZRH in Tagalog 1100 GMT 4 Jun 93

[Text] The Philippine Coast Guard today reported that a seaborne armed group has attacked at least 10 merchant ships in the South China Sea with high-caliber weapons.

Coast Guard chief, Commodore Carlos Agustin, said the armed group attacked the ships between Northwestern Luzon, Hong Kong, and Hainan Island.

The latest victim of the group was MV Salud, a Philippines-registered vessel. The report said the ship was shot at on 22 April.

The report said the armed group was made up of 20 persons dressed in a green uniform with yellow epaulets, similar to those used by naval authorities in the People's Republic of China.

Sixteen People Injured by Grenade in Manila

HK3105055093 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 31 May 93

[Text] Sixteen people were reported injured in a grenade blast at the intersection of Avenida Street and Lope de Vega Street, Santa Cruz, Manila at around 2045 last night. Police are still trying to determine the motive. It is believed that five men were responsible for the explosion, which occurred during a power outage in the area.

Police Arrest Suspects at Ramos Speech Site

HK1006025593 Manila THE MANILA CHRONICLE in English 10 Jun 93 p 7

[Report by Joey Caburnida]

[Text] Police arrested early yesterday morning two construction workers found carrying a hand grenade in Luneta, site of this Saturday's Independence Day rites to be led by President Ramos, but failed to get a third suspect who shot it out with the lawmen.

Arressted were Rolito Sumalinog, 19, a native of Bohol and his fellow construction worker, Sandy Taguan, 19, a resident of Tondo, Manila.

Sumalinog's cousin, Lito Satina, eluded arrest, although wounded in a brief gunfight with men of the Western Police District's [WPD] Rizal Park police detachment at about 2 A.M. yesterday.

Officers Rolando Cabatin and Victor Isleta said they were conducting a routine security check at Gate II, Phase I of the Rizal Park when they saw the three men and approached them.

Satina immediately drew a gun from his waist and engaged the policemen before escaping. Police immediately searched nearby hospitals and medical clinics to trace Satina, but failed to find him. When frisked, Sumalinog yielded a fragmentation grenade, while Taguan surrendered a balisong, or fan knife.

Sumalinog admitted carrying the explosive, but claimed it was just given to him by Satina, his cousin.

"Pinahawak lang po sa akin iyon...para raw sa depensa namin [This was given to us for our protection]," he said. "Nagpunta po kami sa Luneta para lang magpahangin dahil nagka-inuman po kami sa may bahay namin sa Blumentritt [We just came here to Luneta to get some air because we just had some drinks over at our house in Blumentritt]."

He, however, denied knowledge of any plot to bomb the Quirino Grandstand on Saturday's Independence Day celebration. A station of the Light Railway Transit in Abad Santos, Manila, was bombed by suspected Muslim extremists, almost simultaneously with its station in Baclaran, Pasay, during the evening rush on May 11.

Asked whether the suspects could be part of a group responsible for recent bombings in the metropolis being attributed to extremists from Mindanao, Superintendent Pedro Bulaong, commander of WPD station 5, said they have no evidence to prove this. But he said, they would look into it.

He added they were still verifying if the suspects had criminal records. They were detained at his command's station along UN Avenue.

Charges of illegal possession of explosive would be filed against Sumalinog, while Taguan would be charged with violation of the city ordinance prohibiting the carrying of deadly weapons, such as a fan knife.

NDF Accuses NUC of Using 'Psywar' Tactics

HK1006033493 Quezon City MALAYA in English 10 Jun 93 p 13

[Text] National Democratic Front (NDF) secretary general Frank Fernandez yesterday assailed the NUC [National Unification Commission] for operating a psywar [psychological warfare] campaign against the underground political coalition.

In a statement, Fernandez said that NUC has failed to move an inch in the peace process due to chairperson Haydee Yorac's insistence on following a clear-cut campaign of disinformation against the NDF.

The NDF leader said that Yorac still insists on choosing whom to negotiate with among the leaders of the underground left even as this was not a precondition in talking peace with the RAM-SFP-YOU [Reform the Armed Forces-Soldiers of the Filipino People-Young Officers Union] and the MNLF [Moro National Liberation Front].

"The regime has no sense of decency in dealing with the NDF. It has imposed one-sided preconditions for peace talks and this has led to its rejection of negotiations with Luis Jalandoni as the official representative of the revolutionary movement," Fernandez said.

"It is against the spirit and letter of the September 1 Hague Declaration for one party to choose the representatives of the other party," he added.

The rebel leader said that the NUC has a proclivity to leak black propaganda to destroy the official functions of Jalandoni and the NDF. This, Fernandez said, is meant to legitimize the negotiations of the Ramos regime with "bogus representatives of the NDF."

Fernandez said that it is not surprising for the regime to do this. "What they (the regime) recognizes are former revolutionaries, collaborators, opportunists and those involved in kidnap-for-ransom syndicates," he insisted.

Amnesty Talks To Start; CPP Factions Revealed

HK1006051093 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 9 Jun 93

[Text] President Ramos has again called on all rebels to give peace a chance by returning to the government. The chief executive said the rebels must cooperate with the government's programs instead of wasting their time on armed struggle. Ramos will meet with members of the National Security Council from 15 to 30 June to discuss the proposal to implement a total and unconditional amnesty for all rebels.

Meanwhile, the leadership in the communist party has caused the creation of two factions within the leftist movement.

According to a report, the Communist Party of the Philippines-New People's Army [CPP-NPA]-National Democratic Front is divided into two groups: the orthodox or Stalinists, and revisionists.

It is reported that CPP Chairman Jose Maria Sison heads the Stalinist group, while former NPA chief Romulo Kintanar, former National Party Commission secretary Ricardo Reyes, and former Mindanao Commission Chairman Benjamin de Vera lead the revisionists.

Sison is pursuing the communist system based on Marxism or Maoist-Leninist doctrines, which is denounced by the other side for what it terms dictatorial rule.

Government, Rebel Soldiers Agree to Peace Talks

HK1006033293 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 9 Jun 93

[Text] The government and Reform the Armed Forces Movement [RAM] have agreed to start discussions on formal peace talks on 24 June. The two sides talked about procedures to be followed during their talks. They are to meet again on 16 June to set the major agenda for their scheduled meeting.

Professor Alfredo Tadiar, government panel head, said they will change the venue for the talks, while the RAM panel chief, former Brigadier General Edgardo Abenina, said they may present other issues aside from the five-point agenda they have already presented previously.

Isabela Natives Join Leftist Rebel Force

HK090609[illegible]893 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 9 Jun 93

[Text] The New People's Army [NPA] has reportedly been recruiting Isabela natives, and the Philippine Army has asked government agencies and nongovernmental organizations to help put a stop to it. Brigadier General Edgardo Batenga, chief of the Army's 5th Infantry Division, said the NPA has convinced the Aetas and Dumagats residing in the Sierra Madre mountains to join their group. He added most of the natives have undergone NPA training and are now regular members of the leftist rebel force. Batenga has urged the government to act as soon as possible and offer a better livelihood to the natives to prevent them from joining the NPA.

Muslim Involvement Ruled Out in Basilan Fire

HK0906145393 Quezon City ABC-DWET Television in Tagalog 1000 GMT 9 Jun 93

[From the "ABC-DWET News Program"]

[Text] Today, Humberto Rodriguez, Philippine National Police [PNP] chief, stated that Muslim extremists were not behind the fire that destroyed the Basilan capitol. Rodriguez explained that the capitol was burned to prevent records being kept in the building from being audited. An investigation team will go to Basilan to look into the case. Rodriguez expressed his confidence that Muslim extremists will not take advantage of the situation to sow violence in Basilan. Nevertheless, he said that the PNP has enough forces to maintain peace in Basilan.

[Begin Rodriguez recording in English] Well, in Isabela [town], we have more than 1,000 troops there. We do not need any additional [ones]. The situation is very much peaceful. [end recording]

Meanwhile, Local Government Secretary Rafael Alunan III said he will have the local officials in Basilan investigated. In particular, Alunan said he will order an investigation of Governor Gerry Salappudin, because there is a possibility that he had something to do with the fire. Secretary Alunan also did not reject the possibility that Muslim extremists were responsible.

[Begin Alunan recording in English] I am not ruling out anything. You know, in this particular case, when you start investigating something, you open your mind to all possibilities because the moment you start ruling [something] out in the absence of any factual basis, then chances are you can come up with a very biased or incomplete investigation report. [end recording]

MNLF: 'Extremist' Attacks Not To Affect Talks

HK0906133293 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 9 Jun 93

[Text] Nur Misuari, chairman of the Moro National Liberation Front MNLF], today expressed his belief that the peace talks being pursued by the government will not be affected by the offensives of Muslim extremist groups in Basilan. Misuari said that, if the upcoming formal peace talks between the government and the MNLF succeed, the Muslim rebels will play a major role in other peace talks in the country. He added that the MNLF can help the government combat the extremists, because it knows exactly where they are hiding.

Meanwhile, the MNLF chairman urged the administration to decide quickly on where the talks between the government and the MNLF will be held. The MNLF remains firm on its stand in favor of holding the talks abroad.

Malacanang has expressed its readiness to declare a cease-fire at the start of formal peace talks between the MNLF, led by Misuari, and representatives of the National Unification Commission, which Press Secretary Jess Sison has said could begin by 30 June. Sison also reiterated the government's stand that the talks be held within the Philippines. Officials from the Autonomous Region of Muslim Mindanao have offered to host the peace talks.

Thailand

Wichit on U.S.'s Cutting Aid to Armed Forces

BK0906141393 Bangkok Army Television Channel 5 in Thai 1200 GMT 9 Jun 93

[Text] Both the Thai and the Indonesian defense ministers want to see an early formation of a Cambodian Government. Defense Minister General Wichit Sukmak and Indonesian Defense Minister General Edi Sudrajat held an official meeting after presiding over a ceremony to review a guard of honor of the three services. During the meeting, both sides expressed concern over the formation of a national reconciliation government in Cambodia. They held that all Khmer factions should reach an agreement on this issue as soon as possible for restoring peace in Cambodia.

Talking to reporters after the meeting with the Indonesian defense minister, General Wichit also commented on a news report on the U.S. cutting assistance to Thailand because of human rights violations. He said that U.S. assistance constitutes only a small amount.

[Begin Wichit recording] The Thai Armed Forces now are quite self-reliant. U.S. assistance to the Thai Armed Forces constitutes only a small amount. [end recording]

NESDB Secretary General on Export Slowdown

BK0906151393 Bangkok Army Television Channel 5 in Thai 1200 GMT 9 Jun 93

[Text] Phisit Phakkasem, secretary general of the National Economic and Social Development Board [NESDB], said today the economic growth rate had been estimated at from 7.4 percent to 7.8 percent, with a slowdown in the agricultural and industrial export sectors. Meanwhile, the construction business and the incomes of the middle income earners have been growing, and this has resulted in a growing demand for domestic products. The growth of domestic products has risen to 65 percent, while that of exports remained only at 35 percent.

[Begin Phisit recording] It depends on the United States—whether the U.S. economy will improve in the latter part of the year. Our exports to the United States recorded a growth rate of 16 percent while our exports to Europe recorded no growth—the same as our exports to Japan. Since there has been a big growth in exports to the United States, we therefore expect an even better performance if there is an economic improvement in the United States. Anyway, the NESDB and the Bank of Thailand do not think that we will achieve the export target, which was set at 980,000 [million baht]. At best, we think Thailand will be able to record only 940,000 [million baht] in exports. [end recording]

UK Policy, Fund Encourage Thai Investment

BK0206012693 Bangkok TNA in English 0830 GMT 1 June 93

[Text] Bangkok,June 1(OANA/TNA)—The British Government has a clear policy of encouraging British companies to come to invest in Thailand by setting aside a special fund for those prospective firms, British Trade and Industry Minister Richard Needham said here Tuesday.

Mr. Needham, who is currently on an official visit to Thailand, said Britain has regarded thailand and the most suitable base for expanding trade and investment to the emerging indochinese countries. This is because Thailand has many advantagous factor including geographical proximity and close cultural tie with them.

Mr. Needham said Thailand was still an investment hub compared with other ASEAN countries. He said British firms believed Thailand had advantages such as lower labour cost. Thai workforce was also skilled and the country did not have racial and religious discrimination, he said.

The minister also said the Thai Government could attract more foreign investors if it should grant more privilege and incentives to them.

Bilateral trade between Thailand and Britain accounted for 53.6 billion baht (US$2.14 billion) last year. Thailand exported goods worth 29.7 billion baht (US$1.9 billion) to britain and imported goods worth 23.9 billion baht (US$956,000 million).

'Huge' Trade Deficit With Japan Discussed

BK0506025393 Bangkok BANGKOK POST in English 5 Jun 93 p 13

[Text] Thailand suffered a huge 47,385 million-baht-trade deficit with Japan in the first quarter of this year a Bank of Thailand official said yesterday.

The official said the deficit was 12,443 million baht more than the 34,442 million baht recorded in the same period last year.

But he said the deficit may not rise sharply in the second quarter, despite the yen continuing to gain against the US dollar.

Thai exports to Japan in the first quarter of this year were worth 35,768 million baht, down from 36,113 million baht during the same period last year. Imports from Japan amounted to 83,153 million baht, up from 70,555 million baht last year.

He said the US dollar last week dipped to a historic low of 106.52 yen in Tokyo, despite renewed intervention by the Bank of Japan. Sentiment in the money market was likely to remain bullish.

The yen was expected to become even stronger against the US dollar and the baht would weaken against the yen according to the basket of currencies which was used as the formula for fixing the baht.

But the official believed the strength of the yen against the baht would not cause the trade deficit with Japan to widen sharply again.

He said Thai exporters and importers had experience operating in situations where strong overseas currencies pushed up their costs.

Instead of increasing their prices, importers could shift their purchases from Japan to other countries whose currencies were not strong against the baht.

Importers had in the past year started buying more products from Europe to avoid the higher costs related to the yen, he said.

The average value of the baht against the yen in January was 20.39419 baht to 100 yen. In February it was 21.03553 baht (3.14 percent weaker than January), in March 21.68824 baht (3.10 percent weaker), in April 22.45281 baht (down 5.13 percent) and in May 22.84878 baht (1.76 percent weaker).

He said Thailand had enjoyed a trade surplus with the United States of 11,536 million baht in the first quarter, up 1,935 million baht from 9,601 million baht in the same period last year.

It had recorded a 1,267-million-baht deficit with the European Community in the quarter, compared to a 970-million-baht surplus last year.

Air Force Chief Receives Chinese Counterpart

BK2905120393 Bangkok Army Television Channel 5 in Thai 1200 GMT 28 May 93

[Text] Lieutenant General Gao Xingmin, PRC Air Force commander, this morning paid a courtesy call on Air Chief Marshal Kan Phimanthip, commander of the Thai Air Force, at the Air Force Command Headquarters, on the occasion of his visit to Thailand as guest of the Thai Royal Air Force. The two held official consultations on the issues of personnel reduction, armaments development, and the efficiency of the armed forces. They also exchanged views on strengthening ties between the two countries. On Cambodia, both countries are resolved to promote peace in Cambodia. China reaffirmed that it no longer supported the Khmer Rouge.

[Begin recording] [unidentified reporter, in progress] ...situation in Cambodia?

[Kan] We have not discussed Cambodia. But from our own observations, we have realized that China no longer supports it. This should be good for our country. We must try to achieve peace for this region. That's what we told him. [end recording]

Asked about the election in Cambodia, Air Chief Marshal Kan Phimanthip said that, according to reports, although there had been some fighting, it had not been serious and should have no effect on the election. Asked about peace in Cambodia, the air force chief said he believed the four Cambodian factions would cooperate with each other and that peace would return to Cambodia soon.

Charge of Supporting Khmer Rouge Rejected

PM1006142793 Paris LE MONDE in French 29 May 93 p2

[Letter from Poksak Nilubol, Thai charge d'affaires in Paris: "The Khmer Rouge and Thailand"]

[Text] The editorial that your newspaper published 4 May entitled "Cambodia: United Nations Humiliated" directly implicates my country and goes so far as to describe Thailand as the "Khmer Rouge rear support base," with all the grave implications that such a phrase suggests. I can only protest at such insinuations.

Despite the difficulties for the Thai populations and businessmen living along the border, the Royal Thai Government, in conformity with UN Security Council Resolution 792, decreed an embargo 22 December 1992 on the export of oil and petroleum products to the zones controlled by the Khmers Rouges and issued an order 31 December 1992 closing all the transit points for the import of Cambodian timber.

In view of the development of events in Cambodia, everyone must realize that Thailand is at present confronted by the natural consequences and difficulties involved in its return to a system of parliamentary democracy. As a result of the elections, the Royal Thai Government cannot but listen to the worries directly expressed by the Thai populations affected by the Cambodian conflict. Some voices are already being raised in the country expressing regret that the government is unduly obliging toward the United Nations whereas Thailand would be left isolated if the Cambodian conflict were to resume the day after UNTAC [United Nations Transitional Authority in Cambodia] pulls out.

The last thing that Thailand, being in the front line, wants is to see a new war erupt in Cambodia. That is why it is working nonstop together with Japan and China toward persuading the Khmer Rouge to take part in the peace process.

Sale of Low-Grade Rice to North Korea Approved

BK0906024193 Bangkok BANGKOK POST in English 9 Jun 93 p 26

[Text] The Cabinet yesterday approved the sale of 150,000 tons of lower grade rice by the Marketing Organisation for Farmers to North Korea, but ministers asked the organisation to negotiate further on the details of payment.

The North Korean government has asked for a two-year payment period for the rice, 100,000 tons of which is 15 percent grade to be sold at $186 a ton and the rest broken rice priced at $165 a ton.

Agriculture Minister Niphon Phromphan predicted yesterday that the sale would raise domestic prices. The rice is to be delivered by the end of August.

The Commerce Ministry, meanwhile, has asked exporters if they are willing to swap 100,000 tons of parboiled 25 percent rice for 35 percent white rice that the Philippines wants to counter-trade for fertiliser. The deal with the Philippines was struck over the weekend when Commerce Minister Uthai Pimchaichon visited Manila. Altogether, the Thai Government is to supply 150,000 tons of 35 percent white rice within this month, but the Commerce Ministry does not have any in its possession and can only obtain 40,000 from its Public Warehouse Organisation.

In consultations with Mr Uthai before the minister asked reporters to leave the meeting room, Sman Ophawong, president of the Rice Exporters Association, said exporters oppose the swap. Although the deal should raise domestic prices, the private exporters would have difficulty selling the parboiled rice that the ministry is offering, he said. They already have 100,000 tons that they cannot sell, he added.

The exporters suggested that the ministry blend 15 percent rice with broken rice to make the 35 percent grade of the Philippines deal.

Mr Uthai said 24 ships will be required to carry all the rice that is to be exported this month. The ministry is delivering 168,000 tons of 100 percent B high grade rice to Iran, 100,000 tons of 35 percent rice to the Philippines, 30,000 tons of A1 Super grade broken rice to North Korea, 14,000 tons of 5 percent grade to Malaysia, 66,000 tons of 15 percent to the Swiss-based private company Euro Agri, 14,000 tons of A1 Special broken rice to Pan Rice and 20,000 tons of A1 Special to Mauritania.

Conflict Between Chinnawat, AsiaSat Viewed

BK0806055593 Bangkok BANGKOK POST in English 8 Jun 93 pp 17, 26

[Text] Conflict between Chinnawat, the Thai telecommunications group, and Hong-Kong's Asia Satellite Telecommunications Co Ltd (AsiaSat) over planned satellites remains unresolved despite meetings between the companies last week to break the deadlock.

The dispute is described as the first of its kind in the history of satellite communications. It arises because the number of frequencies and the number of available positions above the Earth are becoming insufficient to meet growing demand.

The costs involved are immense. Putting a satellite communications network in place involves more than $100 million (2.5 billion baht), and AsiaSat estimates the cost of its next project at "approaching $200 million."

The two companies have chosen orbits for their satellites that would be so close that an antenna on the ground would have difficulty distinguishing between their signals. The result would be interference.

Chinnawat Group chairman Thaksin Chinnawat said at the weekend that Thaicom I, Thailand's first satellite, would definitely be launched into orbit by the French rocket Arianespace, as scheduled on December 5, His Majesty the King's birthday.

He said that Thaicom I would be launched into the original position 101E. The orbit would exactly match the rotation of the Earth, keeping it "geostationary"—always above the same spot on the Earth's surface—35,000 km directly above Thailand.

AsiaSat, best known in Thailand for carrying the Star TV channels on its first satellite, wants to launch its second satellite into virtually the same position as Thaicom-I, 100.5E but about a year later.

A spokesman for AsiaSat said yesterday that if Chinnawat went ahead with its plans, then television audiences, telecommunications customers, service providers and financial backers would all suffer.

AsiaSat argues that while Thaicom-I could provide the same services from a different location, AsiaSat-2 needs to be in the disputed area.

AsiaSat also says it should have first rights to the disputed location because it was the first to publish an application in the form of an "Appendix-3" request, received by the ITU's [International Telecommunications Union's] Radiocommunications Bureau on November 14, 1991. Thaicom-I's Appendix-3 application was received four months later on March 2, 1992.

This means AsiaSat "has priority over any other claims", AsiaSat said in a statement.

Chinnawat claims priority because before that it was the first to publish its intention in another form an "Advance Publication of Information".

AsiaSat counters that this type of announcement does not confer priority because it "is only for informational purposes" and because it "contains minimal data on the network". The International Frequency Registration Board is "flooded with such applications", AsiaSat says.

Last week's talks are described as "operator-to-operator", in other words bilateral between the two companies. Also involved in trying to settle the dispute are the Thai Post and Telegraph Department, the counterpart Hong Kong authority, the UN's International Telecommunications Union and the International Frequency Registration Board, a dispute-settlement body.

The ground areas covered by Thaicom I and AsiaSat-2—their "foot-prints"—would overlap. Satellites with overlapping footprints need to be about 2.5 or 1,875 km apart so that an antenna on the ground can distinguish between the signals from each satellite.

If they are closer than 2.5, interference occurs; under present plans Thaicom I and AsiaSat-2 would only be half a degree apart.

Under international regulations the two companies with conflicting plans are required to try to work together to reach a solution.

AsiaSat says it chose 100.5E for its second satellite because the footprint would cover more than 50 countries in Asia, most of the continent, and because this orbit would be close to AsiaSat-I allowing the two to back each other up.

"The company's established customers and service providers depend on AsiaSat for day-to-day telecommunications and broadcasting. AsiaSat-I is located 105.5E, it is important that AsiaSat-2 be as close as possible to AsiaSat-I for back-up purposes."

Chinnawat chose 101E so that Thaicom-I would be directly above Thailand, with a footprint covering Southeast Asia and reaching Japan.

But, says AsiaSat, "that same footprint can be secured in both the 120E and 122E orbital slots. The shift preserves the power levels over Thailand and entails insignificant power losses in other areas which are offset by equivalent gains elsewhere.

"Unfortunately, AsiaSat, because of its large service area, does not have similar flexibility. Customers and service providers can only gain access to the satellite if it is in an orbital position in the 100E neighbourhood."

AsiaSat says that recent statements by the International Frequency Registration Board have confirmed that AsiaSat's request has priority over Thaicom's.

"If both the Thaicom-I and AsiaSat-2 projects proceed as planned, without any changes, they clearly will interfere with each other, causing severe problems for customers, service providers and financial backers," AsiaSat says.

"To delay a solution until that point would be not just irresponsible, but counter-productive, as the options will become severely limited. It makes far more sense to seek an answer before any of the launches proceed. This is precisely what the frequency-coordination process is intended to accomplish."

Thaicom-I will have 12 transponders. Six or seven months after it is in orbit, a second satellite, Thaicom-II, will follow, Mr Thaksin said.

Chinnawat will be required to return to the Government a minimum of 1.4 billion baht in return for a 30-year concession for the operation of three satellites.

Mr Thaksin said that both Laos and Cambodia would rent four transponders from Chinnawat satellite. Chinnawat would use its television stations in Laos and Cambodia as home bases for launching its satellite television service which was expected to begin operations next year.

In May next year Chinnawat would begin transmitting educational programmes via satellite, with permission being sought from the Education Ministry for programmes at secondary and vocational levels, Mr Thaksin said.

He named Burma and Vietnam as the targets for his company's telecommunications services, but he said that he has yet to wait for the preparedness of both governments.

He also said that Chinnawat was confident that after conflict in Cambodia was resolved the country would develop economically and more investors would be invited.

He said no matter who became the government in Cambodia, Chinnawat's TV business there would not be adversely affected.

International Fiber Optic Link Plan Approved

BK0806023393 Bangkok THE NATION in English 8 Jun 93 p B1

[Text] The Council of Economic Ministers has approved the Communications Authority of Thailand's [CAT's] plan to invest in a submarine fibre optic link between Thailand, Vietnam and Hong Kong.

The Bt [baht] 2.6 billion project is expected to accommodate the increasing demand for international calls to Hong Kong, Vietnam, Korea, Japan, the United States and European countries.

It will also help support the Telephone Organization of Thailand's new three million lines.

The CAT's optical line plan—phase two of an overall scheme—will also serve as a back-up system for the CAT's first phase which links Thailand and Malaysia.

According to the CAT, the fibre optic expansion should last for at least 25 years, from 1996 to 2020.

The fibre optic system is expected to have a capacity for about 560 megabytes of information per second (Mbps). In the initial stages, the CAT will install facilities to serve at least 280 Mbps, or 3,780 telephone circuits.

Construction of the link is expected to start in 1994 and be complete by 1997.

The service could be offered as early as 1996.

The agency plans to invest Bt570 million in the project in 1994, followed by investments of Bt990 million, Bt940 million and Bt95 million in subsequent years.

The land stations of the phase two project will be established at Sri Racha in Thailand's Chon Buri province, at Vunglan in Vietnam's Ho Chi Minh city and at Decy Water Bay in Hong Kong.

The CAT plans to use another land station in Sri Racha, which is currently serving Petburi-Laem Chabang optical fibre lines, to help support the new expansion.

Industrial Standard Accord Signed With Malaysia

BK3005051893 Bangkok Radio Thailand Network in English 0000 GMT 30 May 93

[Text] Thailand and Malaysia have signed a memorandum of understanding on industrial cooperation on standards, quality, guarantee, training, and exchange of technical data between the two countries. The signing took place in Kuala Lumpur, Malaysia, on 28 May between the Thai Industrial Standards Institute and the Malaysian Standards Institute. Thailand was represented by Secretary General of the Thai Industrial Standards Institute Mr. Chen Bunsong.

Mr. Chen said Thailand and Malaysia have close trade and economic relations. The two countries have long exchanged information and academic cooperation. The memorandum of understanding focuses on training and exchange of experts on ISO 9000 standard system. Mr. Chen added that there is now fierce competition in international trade. Thailand, therefore, has to strengthen cooperation with ASEAN countries, especially on industrial development, to be able to compete in the world market.

Aviation Cooperation Accord Signed With Bhutan

BK1006075393 Bangkok Radio Thailand Network in English 0000 GMT 5 Jun 93

[Text] Thailand and Bhutan have agreed on aviation cooperation. The signing of the aviation agreement between the two countries took place on 2 June by Deputy Minister of Transport and Communications Thawi Kraikhup and the Bhutan's minister of communications.

Mr. Thawi said the agreement allows the designated airline of each country to stop in both countries and fly along designated routes. He also said that aviation services under such agreement will be safer and more economical. Bhutan's national air carrier, however, has started its flights to Thailand twice a week.

No-Confidence Debate Against Ministers Begins

BK0906140193 Bangkok Radio Thailand Network in Thai 1200 GMT 9 Jun 93

[Text] At 0940 today, the House of Representatives began a meeting to consider the urgent motion, submitted by Chat Thai Party leader Police General Praman Adireksan and his colleagues, to hold a no-confidence debate against individual ministers and to consider another urgent motion against the entire cabinet, submitted by Chat Phatthana Party leader General Chatchai Chunhawan and his colleagues. House of Representatives' President Marut Bunnak presided over the meeting.

Prior to the debate, the meeting spent about two hours arguing whether to combine the two motions as recommended by the government side. Members of the opposition parties, mostly Chat Thai Party members, opposed the idea on grounds that it violated the principles of the Constitution. When the meeting president ordered that a vote be taken to settle the issue, Chat Thai party members of parliament stepped up their protest by standing up and expressing their dissatisfaction. The president had to ask the meeting to calm down. A majority vote decided that the two motions would be combined; the opposition abstained.

The leaders of the Chat Thai and Chat Phatthana parties opened the debate by saying that the present cabinet and its members have carried out their their duties inefficiently and have caused problems for the people. The debate continued into the afternoon without a break. In the proceedings, Chat Thai party members mostly criticized the commerce minister on the rice issue. During today's debate, Foreign Minister Squadron Leader Prasong Sunsiri explained that it is the government's policy to make Thailand the gateway to Indochina. For this reason, the Thai Government has coordinated with and gained the concurrence of the countries concerned to link Thai highways with Laos, Vietnam, Burma, and Cambodia.

Commerce Minister Uthai Phimchaichon explained that the government has been trying constantly to solve the rice price problem. It had been difficult to sell Thai rice abroad since the previous government. The current government has carried out market intervention, export promotion, and production cost reduction efforts to enable farmers to fetch prices which were higher than the production costs.

The debate today concerned the no-confidence motion against individual ministers, namely, the commerce minister, the interior minister, the foreign minister, the finance minister, and the deputy communications minister. The debate continues at the time of this report.

Foreign, Commerce Ministers Respond

BK1006015993 Bangkok THE NATION in English 10 Jun 93 pp A1, A3

[Text] Foreign Minister Prasong Sunsiri turned the tables on opposition MPs last night at the end of the first day of the no-confidence debate by disputing their "groundless" accusations point by point and listing "shortcomings" of opposition leader Chatchai Chunhawan.

Prasong said the Chatchai government's handling of foreign affairs and its "corrupt" image "made my job a very heavy one."

The highlight of the othervise dull debate came just before the censure session was adjourned, soon after midnight.

Prasong, a key target of the opposition yesterday, said the Chuan administration's major foreign affairs achievements included peaceful solutions to a Thai-Burmese border dispute, improved Thai-Saudi relationship and the country's enhanced image concerning human rights.

He noted that when the Thai-Burmese territorial dispute first erupted, a belligerent Chatchai told Parliament the Chuan administration should use force to settle the conflict.

The deterioration of Thai-Saudi ties Prasong added, took place during Chatchai's era after Saudi envoys here were gunned down and Thai police returned fake jewellery to Riyadh after they had arrested a convicted thief who had escaped from a Saudi palace.

Thailand's decision to allow Nobel Peace Prize winners, including the Dalai Lama, the Tibetan spiritual leader, to come here to campaign for the release of Burmese opposition leader Aung San Suu Kyi greatly improved Bangkok's image in the eyes of the international community, Prasong said.

Prasong is one of five Cabinet members singled out by opposition parties for censure. Earlier in the day Commerce Minister Uthai Phimchaichon bore the brunt of the opposition onslaught.

Uthai was blamed for "desperate" policies on the falling rice prices and was accused of insulting his compatriots in an attempt to please the United States.

The opposition MPs also took Uthai to task for what they called prevalent "mafia" activities in the Commerce Ministry.

The MPs said the ministry's attempts to shore up paddy prices were hampered by many mistakes, including keeping too much rice in government stocks, overestimating the decline in the world market prices and putting Thai rice on auction.

Chat Thai MP Sawat Khamprakhop also questioned a deal between the Commerce Ministry and a broker company, Peterson, which bought rice from the government at an "unusually low" price.

"I wonder if some senior people in the Commerce Ministry benefitted from it," he said.

Uthai defended government policy and denied any irregularities in rice sales handled by the ministry.

"This government is not trying to seek short-term solutions to the rice problems which have been going on for years," said Uthai. He noted that before the Chuan government took office the situation was good because China, Indonesia and India bought large amounts of Thai rice.

"But China has stopped buying Thai rice for two years and there is a glut in Indonesia. Moreover, Vietnam's low quality but cheap rice is getting more share of the market," he said.

Tension mounted in the assembly hall after Chat Thai MP Samphan Loetnuwat claimed Uthai had labelled Thai copyright violators as "thieves" in a bid to please Washington, which had threatened Thailand with trade retaliation.

An emotional Uthai protested that he had never made such remarks. But Samphan continued: "Minister Uthai has never realized what Thai people need. They need medicine, computer software and a bit of happiness from watching videos. [The technology] is for humanity and it should not be used for trade bargaining," the opposition MP said.

"Thailand has spent billions of baht in fighting narcotics. For what? For humanity, so that American children will not fall prey to drugs. Why didn't Minister Uthai raise this with the United Nations [as published] instead of condemning his compatriots?"

Samphan later attacked several other Cabinet members, whom he indirectly accused of corruption. His allegations drew strong reaction from Deputy Prime Minister Bunchu Rotchanasathian, who said the "unfounded" charges "mean the accuser is a shameless person."

Deputy Communications Minister Thawi Kraikhup also came under strong opposition broadside for his failure to identify "Mr T", a Cabinet member he alleged was a mastermind of stock manipulation.

Samphan claimed that before Thawi made the "Mr T" allegation, "one Mr TV" [as published] went to the United States with a big-time stock trader who has been charged with share manipulation and a sister of the interior minister's secretary.

"In the United States they discussed how to take a revenge on Finance Minister Tharin Nimmanhemin and when they came back the 'Mr T' scandal broke out," Samphan said.

There were slight opposition attacks on Tharin and Interior Minister Chawalit Yongchaiyut, who were also targeted for the censure.

The Democrat Party, meanwhile, filmed the first day of the censure showdown for use as "proof of loyalty" among coalition partners. The filming, using video and conventional cameras, will continue throughout the debate, a Democrat whip said.

The opposition will today ask the government to extend the no-confidence debate by one day—it is at present scheduled to finish tomorrow.

Chat Phatthana Party leader Chatchai Chunhawan said the opposition needed four days, instead of the three set aside by Parliament President Marut Bunnak, to speak against the government.

An opposition source said Chat Thai MP Pancha Kesonthong was assigned by chief opposition whip Bun-ua Prasoetsuwan to co-ordinate with the government and Marut to extend the censure session to four days.

The source said the final decision would depend on whether today's debate is heated or boring. If a lot of opposition MPs want to speak, the session should be extended, he said.

The first day of the debate was reserved for Chat Thai Party MPs, the second day for Chat Phatthana and the third for the four other opposition parties.

Vietnam

Buddhist Church Council Denounces Hue Incident

BK1006064493 Hanoi VNA in English 0618 GMT 10 Jun 93

["Buddist Circles Condemn Fomenters of Public Disorder in Hue"—VNA headline]

[Text] Hanoi VNA June 10—The Executive Committee of the Vietnam Buddhist Church held an extraordinary meeting in Ho Chi Minh City on June 7 to denounce the instigators of public disorder in Hue City on May 24 last. Attending the meeting were the most venerable bonzes Thich Dat Ha, Thich Hong Nang and Thich Minh Nhuan, representatives of the Sangha Council of the Vietnam Buddhist Church. The most venerable Thich Thien Hao, standing vice president of the Vietnam Buddhist Church and head of the Executive Committee of the local Buddhist organization, the bonzes Thich Minh Chau, Thich Sieu Viet, and Thich Hien Phap and several other members of the Executive Council of the Buddhist Church. The participants were briefed on the acts undertaken by Nguyen Dinh Hoa (alias Thich Hai Tang), Le Quang Vinh (alias Thich Tri Tuu) and Le Phu Thinh (alias Thich Hai Thinh) who took advantage of the self-immolation of a citizen (not a Buddhist monk) to falsely accuse the local administration and incite a number of Buddhist followers to set fire to a car and cause a long traffic jam in Hue. The most venerable Thich Minh Chau, vice president and general secretary of the Vietnam Buddhist Church, and other high dignitaries in the Buddhist hierarchy condemned these acts of law breaking stressing that the above-said acts were definitely not acts of genuine Buddhists but only acts of some bad elements in the Buddhist circles inside and outside the country. The bonzes vowed to make the truth about the Hue incident known to the Buddhist following in the whole country and to work for stronger national unity and a stronger administration for the sake of national renovation and development.

Official: Dissident Monks 'Liars'

BK1006053093 Hong Kong AFP in English 0512 GMT 10 Jun 93

[Text] HANOI, June 10 (AFP)—The Vietnamese government's top religious affairs official Thursday [9 June] called dissident Buddhist monks "liars" who had lost all prestige in the eyes of the people by using false testimony, forgery and violence.

Vu Quang, head of the Religious Affairs Committee of the Communist Party's Fatherland Front, also said most Vietnamese believed the police had reacted too leniently when monks staged a sit-down strike that degenerated into violence May 24 in Hue.

In addition to the three monks arrested June 5 and accused of leading the unrest, Hue police arrested nine "extremists" for overturning and burning a municipal jeep during the three-hour demonstration, Quang told foreign journalists.

The arrested monks include Thich Tri Tuu, head of Hue's Linh Mu pagoda, a stronghold of resistance to Hanoi's efforts to integrate the Unified Vietnamese Buddhist Church (UVBC) into the state-sponsored Vietnam Buddhist Church (VBC).

The UVBC has a history of resisting the state, most famously 30 years ago Friday (June 11) when a 66-year-old monk set himself ablaze on a Saigon street to protest repression of Buddhism by the South Vietnamese regime.

The May 24 unrest in Hue came three days after a man immolated himself on the tomb of UVBC patriarch Thich Don Hau at the Linh Mu pagoda, but Quang said the man was not a monk nor even a Buddhist follower.

Quang denied Hanoi was repressing Buddhism, saying authorities were obliged to react to civil unrest stirred up by "a small number—three or four" extremist monks.

Quang described Thich Huyen Quang—acclaimed by anti-government monks as the head of the UVBC and thus leader of Vietnam's more than 50 million Buddhists—as "a systematic liar."

"He has lost his face in the country, that is why he is relying on monks overseas for their support," Quang said.

Thich Huyen Quang has been confined to his village in the central Vietnamese province of Quang Ngai-Danang since 1982, according to the U.S.-based human rights group Asia Watch, but Quang denied the monk was under house arrest.

NHAN DAN Says Human Rights 'Respected Fully'

BK1006041393 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 9 Jun 93

[From the "Press Review" program]

[Text] While foreign mass media agencies and especially some Vietnamese people living abroad are slandering our country by saying that it does not respect human rights, the NHAN DAN newspaper carries an article by Professor Nguyen Lam to counter that accusation.

The author writes: Today, every Vietnamese citizen is living in an independent country, enjoying freedom of thought and freedom of activities within the bounds of the law. They have the right to vote and stand for election to all government posts. They are protected by the law against all forms of exploitation and oppression. In conclusion, in Vietnam at present, human rights are respected fully. Because of their personal ambition or lack of knowledge, some people are making the accusation that the Vietnamese people have been so coerced by the Communist Party of Vietnam that they do not have any human rights. As a nonparty member, one who is nearly 90 years old, and without any political ambitions, I can confirm that the accusation contradicts reality.

Industrial Production Increases by 10 Percent

BK0906150593 Hanoi VNA in English 1418 GMT 9 Jun 93

[Text] Hanoi VNA June 9—According to the Statistic Bureau, in the first semester of this year, the gross industrial output value of Vietnam increased by 10.2 percent compared with the same period in 1992 though the oil output which accounts for a major portion of industrial output stood at the same level as in the first half of 1992 because some wells suspended production to enable repairs. Noteworthy is the continued stabilization and development of the local industry. Local state-run industry topped its plan by 11.8 percent and non-state industry, by 8.5 percent. The industries with the most impressive performances in both output value and remittances to the state budget are electricity up by 8.6 percent increase, coal up by 15.8 percent, rolled steel up by 22.9 percent, insecticide up by 40.9 percent, cement up by 25.5 percent, paper up by 6.3 percent, beer up by 48.6 percent and condensed milk up by 61.7 percent. The growth is attributable to stable market prices in the whole country. In south Vietnam, there has been more electric supply than in the same period last year and foreign markets have been broadened for a number of products, EC countries for garments, Russia and Ukraine, for foodstuffs, and Japan, the Republic of Korea and Taiwan for a number of consumer goods.

Hanoi TV Reviews TAP CHI CONG SAN

BK1006091393 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 9 Jun 93

[Summary] "Occupying a grand place in the June 1993 issue of TAP CHI CONG SAN is a report on Comrade Adviser [to the Communist Party of Vietnam Central Committee] Pham Van Dong's working visit to the editorial staff of TAP CHI CONG SAN on the occasion of President Ho Chi Minh's 103d birth anniversary, on 19 May."

The journal carries an article by Comrade Vo Chi Cong, adviser to the party Central Committee, entitled: "Renovating Economic Management in Agriculture and Developing Commodity-Based Agriculture in Our Country." The article "reviews new problems arising in agriculture following the issuance of Directive 10 by the Sixth party Central Committee Political Bureau, and it points out guidelines and measures that require attention in order for this directive to be implemented."

Next is an article by Nguyen Ha Phan, secretary of the party Central Committee and head of the party Central

Committee Economic Department, entitled: "Some Issues on the Building of a New Rural Countryside in Mountain Regions." The article outlines the actual situation in the rural areas of various mountain regions and points out essential measures for creating a new countryside in our country's mountain regions.

"Also found in this issue are many interesting articles authored by Comrade Nguyen Dinh Tu, secretary of the party Central Committee; Comrade Nguyen Ky Cam, member of the party Central Committee and state inspector general; Do Hoai Nam, vice rector of the Faculty of Economics under the Vietnam Institute of Social Sciences; and Nguyen Xuan Thao, head of the State Planning Commission's Agro-Forestry-Fishery Affairs Department."

Phan Van Khai Attends Fertilizer Conference

BK1006080593 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 9 Jun 93

[Text] In Hanoi on 9 June, the Vietnam Fertilizer Association [VFA] held a conference on work improvement for leaders from various enterprises dealing with import-export, production, and the supply of fertilizer in the northern provinces. Deputy Prime Minister Phan Van Khai attended the conference.

Addressing the conference, Deputy Prime Minister Phan Van Khai commended the VFA for its past achievements. He urged the VFA to strengthen its organization and to improve its activities to suit the current situation.

Conference delegates presented their viewpoints on issues related to prices and the supply of fertilizer in the past and at the present. They also introduced various kinds of homemade fertilizers including urine, phosphate, and roasted phosphate and so forth.

The conference also discussed the formulation of a mechanism to handle investment, loans, credit, the market, and cooperation among fertilizer enterprises. This is aimed at creating an atmosphere of consistent cooperation and assistance beneficial to these enterprises and peasants.

Conference delegates also asked the government to set up a central organization to manage the production of fertilizer domestically and to import some from abroad to ensure sufficient national reserves to cope with natural calamities, price fluctuations, and so forth.

Phan Van Khai Interviewed on Tokyo Conference

BK0906143793 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Jun 93

[Report on unidentified VNA correspondent's interview with Deputy Prime Minister Phan Van Khai on the results of the 12-14 May Tokyo conference on "Asia's Role in the Changing World Order"; place and date not given—read by announcer]

[Text] [Correspondent] Mr. Deputy Prime Minister, could you tell us about how those attending the Tokyo conference agreed and differed in their views and on what points?

[Phan Van Khai] All the speeches delivered at the conference by 11 main speakers—including prime ministers, deputy prime ministers, and high-ranking politicians from eight participating countries—and 16 businessmen and scholars, shared the same views, that is, the world situation during the post- cold war period is developing in a more complex fashion than initially expected. The trend toward peace, cooperation, and alliance is being hindered by growing economic, political, and social instability in various areas. Asia and the Pacific are the world's most dynamically developed region, with the trend toward peace, stability, and cooperation prevailing in the relations among nations. That is why the Asia Pacific region has played an increasingly positive role in forming a new order in international relations. However, there are still territorial disputes, both in overland areas and at sea, and there is the danger of an outbreak of conflicts in the region. All those speakers who discussed the disputes in the East Sea emphatically pointed out the need to solve such disputes through negotiations based on international laws and mutual accommodation. They did not favor the idea of using force or threatening the use of force to solve disputes, for this would amount to returning to the previous state of confrontation. The current need to achieve a strategic balance so as to ensure peace, stability, and development in the Asia-Pacific region has underscored the important roles and responsibilities of China, Japan, and United States, as well as the effects of various forms of alliance at different levels and domains among nations in the region. Although there was a general consensus over some major perceptions and viewpoints, the speakers differed among themselves when it came to assessing some specific matters such as the role of certain countries, especially major countries. Their views on various forms of regional alliance were not similar.

[Correspondent] Could you please describe China's views at the conference?

[Phan Van Khai] It was regrettable that China did not have any representatives—including governmental and nongovernmental organizations—at the conference.

[Correspondent] Could you, Mr. Deputy Prime Minister, give your views on the discussions at the conference on Vietnam?

[Phan Van Khai] Although these discussions were designed to exchange views on the general issues of the region and the world, speakers from many countries showed their interest in Vietnam as seen through their speeches and the questions raised by the audience. Generally, they all praised the renovation undertaking of Vietnam and its development potentials, saying that a stronger Vietnam would benefit regional stability and cooperation. Speakers from many Asian nations wished to see the early normalization of Vietnamese-U.S. relations. This would clear all the obstacles now preventing international financial institutions and many countries in the region from strengthening their economic relations with Vietnam. There were questions raised by the audience over Vietnam's focusing its attention on Vietnamese-U.S. relations and on the prospect of lifting the U.S. embargo against Vietnam. The U.S. speaker still linked the lifting of embargo against Vietnam with the resolution of the U.S. MIA issue.

At the conference, I pointed out that our government's stand is that we consider the MIA issue to be purely a humanitarian issue. We have cooperated, are cooperating, and will continue to cooperate with the U.S. Government to solve this issue even though we ourselves still have a great number of people missing during the war who have not been accounted for.

The U.S. representative also acknowledged our government's cooperation and admitted that the Russian document on the figure of U.S. prisoners in Vietnam showed many inaccuracies. Regarding relations between the IMF and Vietnam, a U.S. State Department representative said that the U.S. Government would adopt a timely attitude at the coming July conference of IMF managing directors. He also said this matter concerns U.S. business interests and regional security.

[Correspondent] Could you, Mr. Deputy Prime Minister, describe the Japanese Government's views regarding Vietnam?

[Phan Van Khai] The Japanese Government is paying genuine attention to Vietnam, and it wishes to see Vietnam stable and developed quickly, because both countries have common economic and political interests. Thought it cannot overlook the U.S. Government's policy toward Vietnam, the Japanese Government has resumed its development aid to Vietnam since November 1992. It has worked with other countries to urge the United States to lift the trade embargo and it has helped Vietnam to reestablish relations with international financial organizations.

At the conference, the Japanese prime minister repeated the Japanese Government's policy on regional issues, in which the establishment of peace and prosperity in Indochina is one of its four priorities. The Japanese Government also plans to convene an international conference in Tokyo this autumn for a forum for the overall development of Indochina.

Those factors, together with the official Japan visit of Prime Minister Vo Van Kiet in March this year, mark a new stage of development in the relations between the two countries.

[Correspondent] If possible, could you inform us about Japanese development aid to Vietnam in the 1993 financial year?

[Phan Van Khai] The Japanese organs which are directly responsible for government aid are considering investment projects proposed by Vietnam. The projects for the construction of hydroelectricity and thermal power plants and upgrading of roads and ports have been favorably received. But the final decision will depend on their on-the-spot research into the effects and feasibility of those projects.

Japanese development aid may be more that that in the 1992 financial year—mainly concessional loans on repayment and interest. On our side, we must set up a close supervisory structure to ensure the effectiveness of projects built with this capital source. We have to carefully calculate our repayment in yen, which tends to increase its value compared with the U.S. dollar and other foreign currencies.

[Correspondent] Could you tell us about the main points of the meetings with Japanese businessmen?

[Phan Van Khai] I held two meetings with representatives of Japanese companies together with the Vietnamese delegation, including 10 leaders of state and private companies. The number of attendants was more than the organizers planned for, thus demonstrating the attention that Japanese businessmen give to Vietnam. Moreover, key leaders of leading Japanese companies also sought private meetings with the delegation.

After analyzing some new developing steps and potential in the relations between the two countries, I mentioned the business limitations of Japanese companies in Vietnam such as the fact that they do better research and preparation but that their actual investment is slower and less than that of companies from other countries. In investment as well as in trade, they have focused more on exploitation of natural resources and agricultural products—nothing on processing, and less on technology transfer.

Japanese corporate representatives who had conducted business feasibility research in Vietnam did not object to my remarks. They said that they would be more active. They all expressed their fine impressions of the Vietnamese country, its people, economic potential, and potential for economic relations. They also frankly suggested that we settle our outstanding debts with Japanese banks, assure a favorable juridical environment, and introduce some necessary conditions for foreign investments. They showed their interest in some projects in oil and gas, metallurgy, mechanics, machine assembly and production, and so forth.

On this occasion, the Vietnamese businessmen contacted some Japanese companies to set up or broaden business and investment relations. They also signed some export agreements.

[Correspondent] Thank you very much.

Oil Exploration Accord Signed With Malaysia

BK0906094393 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 8 Jun 93

[Text] On 4 June at the Malaysian Foreign Ministry, Mr. Kamil, secretary general of the Malaysian Foreign Ministry, and Vietnamese Ambassador Ngo Tat To signed a diplomatic exchange note to approve an agreement on the exploration and exploitation of oil and gas in the overlapping continental shelf area of the two countries.

Also on 5 June in Kuala Lumpur, Mr. Kamil stressed in a ceremony that the agreement will prepare for cooperation in the field of oil and gas exploration and exploitation while the two countries agree to solve the sovereignty issues of the area in the future. Reaching a temporary settlement on cooperation in the overlapping area is a declaration of the friendship and determination of the two countries to seize a new opportunity to further strengthen their bilateral relations. What is most important is that the agreement ensure the principles of equality and mutual benefit, reflecting the two countrys' aspiration for cooperation and the avoidance of conflict.

Mr. Kamil also stressed that the regional situation is changing and that we are facing new challenges. The duties of the regional countries are to guarantee that the changes and challenges do not damage regional stability, thus preventing bilateral issues from being transformed into serious problems which might threaten regional peace and security.

National Assembly Chairman Receives FRG Ambassador

BK0906145793 Hanoi VNA in English 1416 GMT 9 Jun 93

[Text] Hanoi VNA June 9—National Assembly Chairman Nong Duc Manh received here today Ambassador Jurgen Elias of the Federal Republic of Germany who paid him a farewell visit before ending his term of office in Vietnam. Chairman Nong Duc Manh and Ambassador Jurgen Elias expressed their joy at the fine development of the friendship and multiform cooperation between the two countries in the past years and their wishes for further development of this cooperation in the interests of the two peoples.

Australia

Peacekeeping Troops Leave Sydney for Cambodia

BK0906080093 Melbourne Radio Australia in English 0500 GMT 9 Jun 93

[Text] The last Australian troops expected to serve with the United Nations peacekeeping force in Cambodia have left Sydney. Their departure came as the UN Security Council condemned recent attacks on peacekeeping forces in Cambodia and warned it was a respond [as heard] to actions that imperiled the democratic process there.

The 108 Australian Navy, Army, and Air Force personnel will serve in communications during their tour of duty. A contingent of 116 troops will return to Australia early tomorrow morning have served 12 months in Cambodia. The change over will leave 600 Australian troops serving in Cambodia. Of these, more than 100, who are providing air support to the UN force, are due to return next month. The remainder are expected to serve until the UN completes its mission or until a decision is made by the Australian Government to withdraw them.

Minister on Growing Ties With New Caledonia

BK0906073893 Melbourne Radio Australia in English 0500 GMT 9 Jun 93

[Text] Australia's minister for South Pacific affairs, Gordon Bilney, says ties are growing between Australia and New Caledonia. South Pacific reporter Erina Reddan says Mr. Bilney has just left New Caledonia for the third leg of a six-nation South Pacific tour.

[Begin Reddan recording] Mr. Bilney said under the Magtinon accord New Caledonia is moving towards the political stability which is essential for economic development. The 1988 accord ended bloodshed by providing a 10-year lead up to a referendum on independence in 1998. During these 10 years, the French Government is trying to address the economic and other imbalances between indigenous Kanaks and the Europeans in the territory. Mr. Bilney says Australia stands to benefit from the French territory's political harmony because Australia is a logical commercial partner with New Caledonia. Two way trade currently stands at $175 million. Already hundreds of import subsidies on Australian goods into New Caledonia have been cut but Australia is looking for more especially on milk, beer, and building materials.

Mr. Bilney met with high officials including the high commissioner, Alan Christnacht, and the leaders of the three provinces. The minister said further high-level contacts between New Caledonia and Australia are planned including a territorial mission to Australia. [end recording]

Victoria's Premier Forges New Link With Shanghai

BK3005104693 Melbourne Radio Australia in English 0500 GMT 29 May 93

[Text] The premier of the southeastern Australian port of Victoria has forged a new link with the Chinese city of Shanghai. [name indistinct] has been on a five-day tour of China and he has signed a deal ensuring Victoria has the most favorable conditions to be in business in Shanghai. Kena Sarumpaet reports:

[Begin Sarumpaet recording] Mr. Kenneth says the memorandum of understanding opens the door for Victorian industries to set up operations there, and for the government to provide technology and infrastructure support. Among the likely areas of cooperation are food processing, car components, telecommunications, energy and minerals, and environmental protection. Mr. Kenneth singled out New South Wales and Queensland as domestic competitors (?whom) Victoria can now compete successfully with in one of the world's biggest markets. [end recording]

Nauru

Country 'Firm' in Court Case Against Australia

BK0606080693 Hong Kong AFP in English 0607 GMT 6 Jun 93

[Text] Wellington, June 6 (AFP)—The central Pacific Republic of Nauru remains "fairly firm" in continuing its International Court of Justice proceedings against Australia, Nauruan Government spokeswoman Helen Bogdan says. Nauru is mid-way through a complex legal process trying to get damage compensation for phosphate mining which has left the island mostly a battered, unlivable wasteland.

Nauru claims that former mandate powers Australia, Britain and New Zealand, which ruled the island before independence on November 14, 1967 should pay to rehabilitate the part of the island they mined, apparently in contradiction to the terms of the mandate. The mandate powers were given joint responsibility for managing Nauru at the Versailles Conference of 1919.

Lawyers for both parties will meet this week in The Hague to finalise the next stage of the court proceedings. A variety of figures involved have been discussed ranging from 72 million Australian dollars to 120 million, although all three former powers deny any liability at all.

There has however been recent speculation that Australia, which lost the first round of proceedings when it sought to have the case struck out, might not try for an out of court settlement. There is some pressure for a quick settlement with the South Pacific Forum holding in August its annual summit in Nauru.

Bogdan, in an interview with the New Zealand Press Association published Sunday, said although talks were continuing the offer would have to be a "very good" one.

"Certainly we hope a settlement could be reached, but we're fairly firm on going to court.

"We asked Australia for nigh on 10 years to assist and they didn't. We are proceeding with a court case (that) we are doing very well with."

Bogdan said the ball was in the Australian court in terms of a settlement.

"We want rehabilitation of the area they have destroyed. What would be perfect would be if Australia just said we'll come in and rehabilitate the land we destroyed."

Australia has been Nauru's main target because of its primary responsibility for administration of Nauru between 1920 and 1968. Australia in 1990 objected to the international court dealing with the case on the grounds of lack of jurisdiction, bad faith on Nauru's part, and failure to join New Zealand and the United Kingdom as parties to the proceedings. On June 26, 1992 the court rejected the Australian arguments and concluded it had jurisdiction to deal with the claim.

Australia's key argument is that a full and final settlement was reached at the time of independence in an agreement and the matter could not be reopened. The court rejected the Australian argument that it should not deal with a case brought against Australia alone, although it did say its findings could have implications for New Zealand and the United Kingdom.

Lawyers acting for both parties will meet in The Hague this week to finalise the next stage in the court proceedings, which are a slow, protracted process. The key if the case proceeds will be oral arguments, which could take place next year.

New Zealand

U.S. Rejects Call for Reassessment of Relations

BK1006091693 Melbourne Radio Australia in English 0800 GMT 10 Jun 93

[Text] The United States has rebuffed New Zealand's latest call for a reassessment of relations between the two countries. In a speech on Tuesday, New Zealand Prime Minister Jim Bolger said the eight-year stand off in the Wellington-Washington relationship had gone on for too long. The State Department said it was pleased to know Mr. Bolger's comments but reiterated Washington's long-standing position that any improved relationship was only possible if New Zealand moved on its antinuclear stance.

Papua New Guinea

Former Premier, Minister Acquitted on Bribery Charges

BK0806080293 Melbourne Radio Australia in English 0500 GMT 8 Jun 93

[Text] A judge in Papua New Guinea has acquitted former Prime Minister Rabbie Namaliu and his former finance minister of charges of alleged misappropriation and bribery. Sean Dorney reports that Mr. Justice Warwick Andrew upheld the defense's no-case submission six days into the joint trial of the two men.

[Begin Dorney recording] Namaliu and his former Finance Minister Paul Pora were charged with attempting to misappropriate hundreds of thousands of kina to buy the support of four ex-ministers who had threatened to cross the floor in a threatened vote of no-confidence in 1990. But after hearing evidence all last week, Mr. Justice Andrew agreed with Mr. Namaliu's lawyer, Stewart Littlemore, that the state had no case against them. A delighted Mr. Namaliu released a statement later claiming the prosecution was politically motivated, but that it had failed utterly on legal grounds and that, he maintained, represented a victory for PNG's judicial system. [end recording]

Government Seeks 1st Commercial Loans in 8 Years

BK0206100693 Hong Kong AFP in English 0851 GMT 2 Jun 93

[Excerpt] Hong Kong, June 2 (AFP)—Papua New Guinea, for the first time in eight years, is to ask commercial banks for loans, Finance Minister Sir Julius Chan said Wednesday. Chan, who is also deputy prime minister, said he would be seeing a group of banks in the British colony on Thursday to pitch for what he described as a relatively small loan of 150 million U.S. dollars. He added that he would proceed to London later this week to seek loans from European banks.

The renewed bid for commercial borrowings comes as Papua New Guinea expects Gross Domestic Product growth of 10 percent this year, surpassing growth rates in excess of nine percent in 1991 and 1992.

"I believe in going to the commercial market when you are at your peak," Chan told reporters.

Chan spoke after two days of meetings in Hong Kong at which the World Bank and 10 other donors announced a total of 450 million dollars in fresh development aid and budget support to resource-rich Papua New Guinea. The funds are in addition to 300 million dollars from which Papua New Guinea may still draw under previous agreements with aid donors, said Marianne Haug, the World Bank's East Asia director.

Portions of the 1993 funds will go towards new roads, schools, health care facilities, telecommunications and other projects. Seventy-five percent are in the form of grants, with the rest being loans [which] are [at] below-market rates. [passage omitted]

Premier: Nation To Compete in Asian LNG Market

BK0106043693 Hong Kong AFP in English 0428 GMT 1 Jun 93

[Text] Port Moresby, June 1 (AFP)—Papua New Guinea is to compete with Indonesia and Malaysia to market its liquified natural gas (LNG) resources, Prime Minister Paias Wingti said Tuesday.

Wingti told a news conference that Papua New Guinea was looking to countries like Japan, Taiwan and South Korea as a big markets for its largely undeveloped gas resources in direct competition with the region's major producers Indonesia and Malaysia. But Wingti said that while large gas reserves have been discovered in Papua New Guinea, it would take some time before they could be fully developed and tapped for export.

Addressing a petroleum convention here Monday, Wingti assured foreign investors of an attractive investment environment and a fair return.

"Our fiscal regimes provide to the developer a fair share of the net income of the project—a share higher than that available under the majority of regimes elsewhere," he told the convention.

Wingti said his government had "no intention of making any major changes to the mining and petroleum regimes in any way that will adversley affect the profitability of the investor."

"Within that principle, however, we reserve the right to review our policies from time to time to rationalise them and make them more cohesive, understandable and effective."

Wingti said investors should not view these ongoing reviews as attempts to make policy regimes more restrictive or to change the rules. Papua New Guinea had to be more competitive in providing incentives and conditions to attract investors to its petroleum sector, he said.

Wingti said there had been a slowdown in the industry in the past three years, in spite of the country's first oil producing project, Kutubu, coming on line last year. He attributed the downturn to the opening up of new opportunities in countries like China, Colombia, Yemen and the Commonwealth of Independent States.

At the same convention, Suyitno Patmosukismo, director general of Indonesia's state-owned MIGAS, said there needed to be a dynamic relationship between government and foreign investors.

Patmosukismo said sound government fiscal and economic policies provided fair and high returns for foreign investors and the state.

"It can be emphasised that the relationships between Indonesia and the foreign investors are very dynamic," Patmosukismo said.

He said cited a stable political and economic viroment, a stable and equitable commercial system, acceptable investment returns and accessibility of key government authorities.

"Investors look for minimal layers of bureaucracy, rules and regulations," he said. "They want unencumbered repatriation of foreign earnings, minimal import-export restrictions and common goals among various government agencies.

Vanuatu

Former Premier Threatens Partnership in Coalition

BK0806135493 Hong Kong AFP in English 1254 GMT 8 Jun 93

[Text] Port Vila, June 8 (AFP)—Former Vanuatu prime minister and ruling coalition partner Walter Lini hinted Tuesday that the days of the present government could be numbered if parliament passed a bill reversing one of his actions while in power.

Parliamentary sources said later the government had backed down and sought to withdraw the bill to abolish the Telecom Authority after parliament was adjourned until Wednesday after Lini's intervention.

The bill was introduced by Telecommunications Minister Edward Tabisari, a member of Lini's National United Party, which is a junior partner in the Francophone-majority coalition government elected in December 1991. The Telecom Authority was set up by Lini earlier in 1991 when he was still prime minister, but the present government said that abolishing it would save money.

However Lini, who now is responsible for the government's business in parliament, said the situation put him in a "difficult position." He said he had recently been trying to ignore "certain incidents" and tried to ensure that the government completes its four-year term, but "certain things happened this year" that could jeopardise the present government's life.

He said he would take a position on the bill when debate resumed later Tuesday afternoon, but the sitting was then adjourned by parliamentary speaker Alfred Massing. A parliamentary source told AFP that in the meantime the government had asked parliament to withdraw the bill, but that officials of the legislature said this would only be possible in the second reading by means of a motion.